

CONSTRUCTION DIVISION
ROUTING SLIP

TAB 7-34

RETURN TO ADMINISTRATIVE
SECTION

Note

APR 10 1941

Reply

3 COMMISSIONER VICKERY
DIRECTOR
EXECUTIVE DIRECTOR
1 ~~PLANT~~ ENGINEERING SECTION
ENGINEERING SECTION
HULL SECTION
PRODUCTION ENGINEERING SECTION
ASST. CHIEF PROD. ENGINEERING SECTION
ASST. CHIEF PRODUCTION COST ESTIMATING
HULL SCHEDULE & PLANNING BRANCH
ENGINEERING SCHEDULE & PLANNING BRANCH
EXPEDITING BRANCH
COST REVIEW SECTION
COST ANALYSIS BRANCH
INSPECTION SECTION
ASST. CHIEF INSPECTION SECTION
PURCHASING SECTION
3 ADMINISTRATIVE SECTION
C

File No. *Q M 10. Fac. Cont.*

Copies to Following

Mr. Gallagher
Mr. McDonald
Mr. McKeown
Mr. Malseed
Mr. Hope

SEATTLE-TACOMA SHIPBUILDING CORPORATION

SEATTLE DIVISION

2400 ELEVENTH AVENUE S. W.

SEATTLE, WASHINGTON

August 4, 1941

United States Maritime Commission,
Washington, D. C.

Attention: Mr. Harry M. Hope, Director
Plant Engineering.

Subject: Facilities Contract DA-MCc-12.

Gentlemen:

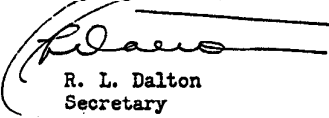
We have revised the contract between the General Construction Co. and this corporation under which the Maritime Commission's facilities at Tacoma are being constructed for us by the General Construction Co. as subcontractor; and enclose two executed copies herewith.

All changes were made in accordance with your instructions with the exception of the last line of Article 9, which was changed to read "including the cost of all engineering services performed by the Contractor" instead of adding the words "wherever performed" as suggested by you. The subcontractor objected to the inference occasioned by the word "wherever" inasmuch as he has no responsibility for engineering services which he does not perform or for which we might contract for performance elsewhere. The sentence as finally made acceptable to the subcontractor I am sure will cover your requirements inasmuch as he agrees in Articles 1 and 4, to the performance of the required engineering.

Copies of the contract have been distributed to Mr. O. A. Mechlin, Plant Engineer and Mr. H. B. Wilkinson, your Resident Auditor at Tacoma.

Very truly yours,

SEATTLE-TACOMA SHIPBUILDING CORPORATION


R. L. Dalton
Secretary

RLD:G
Enc.

Q 2110 - Fac. cont.

AGREEMENT

Between SEATTLE-TACOMA SHIPBUILDING CORPORATION
and GENERAL CONSTRUCTION COMPANY for the construction
of United States Maritime Commission Shipbuilding
Facilities at Tacoma, Washington.

AGREEMENT, dated this 10th day of May, 1941, by and
between SEATTLE-TACOMA SHIPBUILDING CORPORATION, a Washington corpora-
tion, party of the first part, hereinafter called the Shipbuilder, and
GENERAL CONSTRUCTION COMPANY, a Washington corporation, hereinafter
called the Contractor.

WHEREAS the Shipbuilder has entered into a contract with
the United States of America, represented by the United States Maritime
Commission, identified as Contract DA-MC-11, dated May 10, 1941, and

WHEREAS under the aforesaid contract the Shipbuilder has
agreed to construct certain shipyard facilities at or near the Ship-
builder's plant and yard at Tacoma, Washington, and

WHEREAS the Contractor is organized with experienced
technical and construction personnel and with the plant and equipment
required for the construction of said facilities and agrees to perform
the work under the terms and conditions herein stated.

NOW THEREFORE, the parties to this agreement, each in
consideration of the mutual covenants and agreements on the part of
the other herein contained, do agree as follows:

1. The work and services to be performed under this agreement
shall be the engineering and planning of the facilities listed below in
this paragraph together with the provision of materials for and the
construction of such facilities:

1. Clearing Site, Grading, Filling and Bulkheading	\$135,000.00
2. Five Shipbuilding Ways	310,000.00
3. Six Whirley Trestles and one whirley Tract Foundation for Steel Storage	208,000.00
4. Five Assembly Platforms at head of Ways	54,000.00
5. Steel Fabricating Sheds and Crane Ways	280,000.00
6. Machinery Foundations	36,000.00
7. Warehouse Building	100,000.00
8. Reconstruct Office Building for Hospital and Inspection Building	10,000.00
9. Repairs and Reconstruction necessary for Additional Office Facilities	63,000.00
10. Additional Power Distribution House, Boiler and Heating Plant	55,000.00
11. Main Washroom and Locker Building	36,000.00
12. Machine Shop and Small Shops Combined in one Building	
13. " " " " " "	110,000.00
14. Restaurant	45,000.00
15. Paint and Oils Storage Building	19,000.00
16. Acetylene and Oxygen Building	9,000.00
17. Toilet Buildings at Shipways	18,000.00
18. Outfitting Pier and Wharf	350,000.00
19. Additional Paving and Parking Areas	90,000.00
20. Steel Storage	25,000.00
21. Fences Additional	8,000.00
22. Railroad Trackage	30,000.00
23. Wiring for Distribution of Power to Shipways, Buildings and Yard, including Underground	164,000.00
24. Sewers and Water System	50,000.00
25. Outboard Launching Ways	50,000.00
	<hr/>
	\$2,255,000.00

2. The estimated costs as set forth above for each of the construction items listed is the Shipbuilder's estimated cost thereof. In no event shall the costs incurred exceed the total estimated cost of all such items unless and until the authority for such excess cost be first given in writing by the party of the first part. In no event shall work be performed prior to approval and order of the Shipbuilder.

3. It is understood that the items listed in paragraph 1, and the estimated costs of same, are tentative and subject to increase, decrease, addition or change upon written instruction and authority of the party of the first part, provided however that the Contractor shall be reimbursed by the Shipbuilder for all authorized commitments incurred by the Contractor with respect to any items changed by order of the Shipbuilder, but the Shipbuilder and/or the United States Maritime Commission shall have all the rights of the Contractor under any such commitments.

4. The Contractor agrees to provide such engineering skill, design, drafting and inspection as may be necessary to originate and complete the plans, working drawings, and specifications; also to provide competent constant supervision of the construction, installation, and erection of the work to be performed under this agreement. Engineering design, plans and specifications, and related data to be provided by the Contractor shall be subject to the approval of the Shipbuilder before adoption and usage.

5. The Contractor further agrees to provide the required construction plant, tools and equipment necessary, in the opinion of the Shipbuilder, to execute the work in a prompt, efficient and workmanlike manner. Rental of plant and equipment at the current local rental rates set forth herein as Exhibit "A" of this contract will be allowed as a cost of the work. The compensation for rentals is subject to the limitations and conditions recited in paragraph F, Article 5 of the contract first referred to above as Contract DA-MC-12 and as referred to in paragraph 8 herein.

6. It is further agreed that no subcontract shall be awarded by the Contractor for work required under this contract without the approval in writing of the party of the first part.

7. The Contractor being cognizant that time is the essence of this agreement agrees to diligently prosecute to completion the work of construction, erection and installation of the facilities undertaken; and to execute the work by qualified, careful and efficient workers.

8. The Contractor has been provided with a copy of the contract, dated May 10, 1941, and identified as Contract DA-MC-12, between the Shipbuilder, party of the first part, and the United States of America, represented by the United States Maritime Commission, receipt of the said copy of contract being acknowledged by the signature hereto; and agrees to comply fully with all the undertakings and obligations of the Shipbuilder, except such as do not apply to the work to be performed hereunder, as are set forth in said contract DA-MC-12, which is hereby accepted as a part of

this agreement and made applicable to the operations of the Contractor hereunder.

9. In consideration of the faithful performance of the covenants and agreements made by the Contractor as set forth herein, the Shipbuilder, party of the first part, hereby covenants and agrees to pay or cause to be paid to the Contractor an amount equal to the true cost of the work as hereinafter defined, plus a fixed fee of \$90,000.00 as full compensation to the Contractor for construction services, and a fixed fee of \$45,000.00 as full compensation to the Contractor for engineering services, including the cost of all engineering services performed by the Contractor.

10. Without limiting the generality of the foregoing, the cost of the work shall include:

- (a) Labor and material for both temporary and permanent use.
- (b) Loading and unloading of plant and transportation of same to and from the work.
- (c) Installation and dismantling of construction plant as well as the approved reasonable cost of repairs at the site of the work.
- (d) All hand tools, and supplies, wire and manila rope, pipe and fittings, etc., necessary for the work.
- (e) Freight, hauling, and material handling chargeable to the work.
- (f) Salaries of Superintendents, Office Manager, Timekeepers, and Clerks of the Local Office when employed at the site of the work, but not including any charge for the services rendered by officers or the general Main Office staff of the Contractor.
- (g) The expenses of the local office on the work, including stationery, telegrams, telephone, expressage, postage, permits, etc., etc.
- (h) The cost of insurance to protect both the Shipbuilder and the Contractor from damages due to injuries sustained by or property loss of the public or any person employed on the work. Insurance coverage to be subject to prior approval of the Shipbuilder.

The parties hereto agree that the term "cost of the work" shall include only expense incurred by the Contractor and shall not include engineering costs or the cost of machinery and other operating equipment purchased directly by the Shipbuilder or the United States Maritime Commission, whether or not the installation of such equipment or machinery be performed by the Contractor.

11. Expenditures made by the Contractor on account of the work, providing the Shipbuilder's approval shall first have been had and obtained (except that the Shipbuilder's approval of petty disbursements in amounts less than \$50.00 need not be obtained) shall be billed the Shipbuilder semi-monthly as of the fifteenth and the end of each month, and shall be reimbursed within fifteen days after the presentation of such billing; provided, that reimbursable costs hereunder shall be limited to those items of cost covered by the aforesaid Facilities Contract (DA-MC-12) between the United States Maritime Commission and the Shipbuilder. The Contractor's billing shall be in such form and supported by such invoices, receipts, etc. for each item billed, and such other data, including the distribution and analysis of costs represented by such billing, as may be required by the Shipbuilder.

12. The billing for the Contractor's fee compensations shall be rendered simultaneously with the billings for the contract expenditures. Such fee billing shall not exceed that percentage or percentages of the fixed construction and engineering fees that the billable cost of the work bears to the total estimated cost of \$2,255,000.00, provided, however, that there shall be retained by the Shipbuilder an amount equal to twenty (20%) percent of the amount billed as fixed construction and engineering fees until completion and acceptance of the work.

13. Upon completion and acceptance of the work any balance of fee including the aforesaid retained percentages and of determined true cost shall be billed to, and paid by, the Shipbuilder promptly upon the determination of true cost and compliance by the Contractor with the terms and covenants recited herein.

14. The Contractor's billing for plant and equipment rental and usage shall be rendered separately and independently of the billing referred to in paragraphs 11 and 12 above, and such plant and equipment billing shall be at such rates of rental, and on such terms as shall be agreed upon in advance by the parties hereto, evidential by Exhibit "A" attached, as the current local billing rates and conditions for plant and equipment rental.

15. The ownership of all materials, supplies, tools and properties purchased for the work shall, upon reimbursement of the Contractor for the cost of same, be vested in the United States Maritime Commission and/or the Shipbuilder, and upon completion of the work the Contractor shall make an accounting for the materials, supplies, tools, etc., and all excess materials, hand tools and supplies left on hand will be turned over to the Shipbuilder.

16. All tracings, designs, and engineering data prepared by the Contractor for the work covered by this contract shall be the property of the Shipbuilder and/or the United States Maritime Commission and shall be delivered to the Shipbuilder upon the completion or termination of the work.

17. If at any time the Shipbuilder shall become dissatisfied with the manner in which the work is being conducted, or should wish, for any reason, to discontinue the work the Shipbuilder shall be at liberty, after five days written notice, to terminate this agreement and to take possession of the work done and materials purchased. In the event that the Shipbuilder shall exercise this right of termination the Contractor shall be entitled to receive reimbursement for all proper expenditures made for the account of the Shipbuilder under this contract and not previously reimbursed; together with payment for its services in an amount equal to six percent (6%) of the cost of the work expenditures made by the Contractor as of the date of termination, less the amount of compensation previously paid as fees. It is understood, however, that nothing herein contained shall be construed as relieving the Contractor from liability on account of default under this agreement.

18. It is mutually agreed that the consideration of the terms and the validity of this contract shall be determined according to the laws of the State of Washington.

IN WITNESS WHEREOF the parties hereunto set their hands
and seals as of the day and year first above written, although the agree-
ment was actually signed on the 23rd day of July, 1941.

Attest:

[Signature]
Secretary

SEATTLE-TACOMA SHIPBUILDING CORPORATION

By [Signature]
President

Attest:

[Signature]
Secretary

GENERAL CONSTRUCTION COMPANY

By [Signature]
President

EXHIBIT "A"

SCHEDULE OF EQUIPMENT RENTAL RATES - CONTRACT DA-MCc-12

SEATTLE-TACOMA SHIPBUILDING CORPORATION - Shipbuilder
GENERAL CONSTRUCTION COMPANY - Contractor

The following rates to apply on equipment owned by the Contractor and not applicable to any equipment furnished or owned by third parties and leased or rented to the Contractor for use on the construction of shipbuilding facilities at the Shipbuilder's plant at Tacoma, Washington:

2 Yard Gas or Diesel operated Draglines.

First shift operation - Minimum rental of \$1342.00 per month or any part thereof. Second and third shift operation \$47.00 per 8 hour shift or any part thereof.

Same machines used as Cranes.

First shift operation - Minimum rental of \$1232.00 per month or any part thereof. Second and third shift operation \$42.00 per 8 hour shift or any part thereof.

5/8 Yard 168 Bucyrus Dragline.

First shift operation - Minimum rental of \$792.00 per month or any part thereof. Second and third shift operation \$28.00 per shift or any part thereof.

Same Machine used as Crane.

First shift operation - Minimum rental of \$704.00 per month or any part thereof. Second and third shift operation \$24.00 per 8 hour shift or any part thereof.

D8 Caterpillar Tractor with Bulldozer, Hoist, and "A" Frame Derrick.

First shift operation \$792.00 per month or any part thereof. Second and third shift operation \$27.00 per 8 hour shift or any part thereof.

D7 Caterpillar Tractor with Bulldozer and 2 Drum Hoist.

First shift operation \$660.00 per calendar month or any part thereof. Second and third shift operation \$22.50 per 8 hour shift or any part thereof.

3/4 Ton Chevrolet Pickup Truck

\$75.00 per calendar month or any part thereof.

8 Yard 3 Wheeler Dump Trucks.

First shift operation \$396.00 per month or any part thereof. Second and third shift operation \$18.00 per 8-hour shift or any part thereof.

3-1/2 Ton White Flat Bed Truck.

\$220.00 per month or any part thereof.

Floating Pile Drivers, Scow Size 24' x 70' x 7' 5000 lb. Drop Hammer

First shift operation - Minimum rental of \$440.00 per month or any part thereof. Second or third shift work \$20.00 per 8 hour shift or any part thereof.

Skid Pile Drivers with 55 foot Leads and #1 Vulcan Steam Hammer.

First shift operation - Minimum rental of \$462.00 per month or any part thereof. Second or third shift operation \$21.00 per 8 hour shift or any part thereof.

Jackhammer Drills with 1" Chucks.

Minimum rental of \$25.00 per month, each.

Paving Breakers.

Minimum rental of \$25.00 per month, each.

360 Cubic Foot Portable Gasoline Operated Air Compressor.

Minimum rental first shift operation \$200.00 per month or any part thereof. Second and third shift operation \$7.00 per 8 hour shift or any part thereof.

300 Ampere Skid Mounted Portable Arc Welding Machine.

Minimum rental \$55.00 per month.

Irrington Model 20 Straight Line Cut-off Saw, 24" Stroke

Minimum rental \$33.00 per month.

Model D4 DeWalt Woodworker Saw with 5 H.P. Motor

Minimum rental \$33.00 per month.

400 Ton Timber Barge "Foss No. 64"

Minimum rental \$300.00 per month.

Hand Hoists - 5 Ton Capacity

Minimum rental \$15.00 per month

Band Saws 36" Sidney, 7½ H.P. Motor

Minimum rental \$40.00 per month.

Tug Boat - 60 H.P. Diesel Type C O Engine (Fish)

(a) When used as tender only on a straight 8 hour and daily basis, without deduction for time not in use in any 8 hour working day,
Per day of 8 hours, \$40.00

(b) Moving scows within zone of shipyard (when not through bridges), per move, \$10.00

(c) Moving piling, timber, deadwood, and all moving other than scows, shall be on an hourly basis,
Per hour, \$6.00

Actual running time shall be charged at the hourly rate to go from moorings to shipyard, and return from shipyard to moorings. The minimum charge shall be for one hour. For time less than one hour, 5 minutes to 30 minutes shall be charged as one half hour; 35 minutes to 59 minutes shall be charged as one hour.

Acetylene and Oxygen Burning and Cutting Outfit.

Per hour, \$2.50

Pneumatic tired Concrete Buggies - 8 Cubic ft. capacity

Minimum \$5.00 per month, each.

1½ ton Pull Lifts.

Minimum, per calendar month, \$5.00

Grader Road Patrol - 6 Wheel - Size #11.

Minimum rental, \$352.00 per month.

Page 3.

The per month rental rates on the first shift are based on five 8 hour shifts per week or any part thereof. The rental rates do not include any materials, supplies, or labor for operation or maintenance. Equipment is to be maintained, as a cost to the work, in the same condition as when received; ordinary wear and tear excepted. The equipment is to be delivered f.o.b. point of shipment to the work and is to be delivered f.o.b. same point, or to a point of equal or less distance, at the termination of the rental period.

AIR MAIL - SPECIAL DELIVERY

July 25, 1941

Seattle-Tacoma Shipbuilding Corporation
Seattle Division
2400 Kleveland Avenue, S. W.
Seattle, Washington

Attention: R. L. Dalton, Secretary

Gentlemen:

Receipt is acknowledged of your letter of July 15, 1941, transmitting two copies of the contract between Seattle-Tacoma Shipbuilding Corporation and General Construction Company, covering the construction of Shipbuilding Facilities at Tacoma, Washington, including the changes agreed upon by your Mr. Lamont. It is noted that these changes include a provision for a fixed fee of \$90,00 as compensation for construction services, and a fixed fee of \$45,000 as compensation for engineering services including all costs thereof.

Our Legal Division advises me that the following further changes are necessary before the contract will be acceptable:

1. At the end of Article 3, page 2, insert the following:
", but the Shipbuilder and/or the United States Maritime Commission shall have all the rights of the Contractor under any such commitments."
2. Article 8, pages 3 and 4, delete the clause beginning at the end of the 5th line with the words " and agrees." Insert in lieu thereof the following:
"and agrees to comply fully with all the undertakings and obligations of the Shipbuilder, except such as do not apply to the work to be performed hereunder, as are set forth in said contract DA-MC-12, which is hereby accepted as a part of this agreement and made applicable to the operations of the Contractor hereunder."
3. Article 9, page 4, should be amended to read as follows:
"In consideration of the faithful performance of the covenants and agreements made by the Contractor as set forth herein, the Shipbuilder, party of the first part,

hereby covenants and agrees to pay or cause to be paid to the Contractor an amount equal to the true cost of the work as hereinafter defined, plus a fixed fee of \$90,000 as full compensation to the Contractor for construction services, and a fixed fee of \$45,000 as full compensation to the Contractor for engineering services, including the cost of all engineering services wherever performed."

4. Article 11, page 5, at the end of the first sentence delete the period and insert the following provision:

"; Provided, that reimbursable costs hereunder shall be limited to those items of cost covered by the aforesaid Facilities Contract (DA-MCc-12) between the United States Maritime Commission and the Shipbuilder."

5. Article 12, page 5, should be amended to read as follows:

"The billing for the Contractor's fee compensations shall be rendered simultaneously with the billings for the contract expenditures. Such fee billing shall not exceed that percentage or percentages of the fixed construction and engineering fees that the billable cost of the work bears to the total estimated cost of \$2,255,000, provided, however, that there shall be retained by the Shipbuilder an amount equal to twenty (20%) percent of the amount billed as fixed construction and engineering fees until completion and acceptance of the work."

6. Article 13, page 5, should be amended to read as follows:

"Upon completion and acceptance of the work any balance of fee including the aforesaid retained percentages and of determined true cost shall be billed to, and paid by, the Shipbuilder promptly upon the determination of true cost and compliance by the Contractor with the terms and covenants recited herein."

7. Article 17, page 6, delete the second sentence and insert the following sentences:

"In the event that the Shipbuilder shall exercise this right of termination the Contractor shall be entitled to receive reimbursement for all proper expenditures made for the account of the Shipbuilder under this contract and not previously reimbursed; together with payment for its services in an amount equal to six percent (6%) of the cost of the work expenditures made by the Contractor as of the date of termination, less the amount of compensation previously paid as fees. It is understood,

Seattle-Tacoma Shipbuilding Corporation - 3.

however, that nothing herein contained shall be construed as relieving the Contractor from liability on account of default under this agreement."

Subject to revising the language of the contract in accordance with the foregoing suggestions, you are advised that said contract is satisfactory and is hereby approved by the Commission. Mr. James Barnes, representing your corporation, has approved the changes noted herein, and you are therefore authorized to proceed accordingly. Upon making the necessary changes and executing the revised agreement, please transmit copies thereof to this office for our files.

Very truly yours,

J. E. Schmeltzer
Director
Emergency Ship Construction Division

By direction:

Chief, Plant Engineering Section

JMDrewry/dmc

Written on July 24, 1941

UNITED STATES MARITIME COMMISSION
 INTER-OFFICE MEMORANDUM

OPB 11-11720

July 23, 1941

To: Director, Emergency Ship Construction Division
 Attention: Mr. Hope

From: Assistant General Counsel

Subject: Seattle-Tacoma Shipbuilding Corporation - Lease.

This refers to the lease dated May 1, 1941 between the Hooker Electrochemical Company and Seattle-Tacoma Shipbuilding Corporation which was transmitted to you with Mr. Mechlin's letter of July 7, 1941 with the request that it be approved as "a necessary part of the Facilities Contract".

The lease is for land other than that described as the "Real Estate" in the Facilities Contract and does not provide that title to any improvements placed on the leased premises shall remain in the United States as is required by the Facilities Contract. Your attention is also called to the fact that it is dated May 1, 1941, on which date the rental period begins to run. Such date is prior to that of the Facilities Contract. It is, therefore, my opinion that the lease in the form in which it was submitted cannot be approved.

In the event that you find it necessary for the Seattle-Tacoma Shipbuilding Corporation to lease the land included in the lease submitted for the sole purpose of having available parking space for use by persons employed in connection with the construction of the shipyard facilities or vessels for the Commission at the site of those facilities, it is suggested that you recommend to the Commission that Seattle-Tacoma Shipbuilding Corporation be authorized to enter into a lease of said land, such lease to be in form and substance satisfactory to the Commission. If such a recommendation is made and approved, I shall redraft the lease and forward it to the contractor so that if the owner of the land consents thereto the contractor will be able to obtain a lease, the rental payable under which will be reimbursable pursuant to the terms of the Facilities Contract.

Director, Emergency Ship Construction Division - 7/23/41 - 2.

Under the terms of all the Facilities Contracts heretofore entered into by the Commission, rental payments are allowable as costs only in those cases where the Commission specifically approves the lease pursuant to which such payments are made. It is, therefore, essential that prior to entering into any lease the contractors obtain approval of this office as to the form of such lease. The contractors and plant engineers should be immediately advised of this fact and cautioned against entering into or approving any lease the form of which has not theretofore been submitted to the Commission.

Wade H. Skinner
Wade H. Skinner
Assistant General Counsel

Wade

Miss Blakemore:

Altho addressed to Mr. Hope- I think
the original of Mr. Skinner's letter should
so into your file- with a copy of the void
contract- with its comments.

We have copy for Plant Engineering File.

FIS.

7-22-41

*File
8/2/41*

Form 3101
Rev. 8-36UNITED STATES MARITIME COMMISSION
INTER-OFFICE MEMORANDUM

GPO 11-11729

July 10, 1941

*QW: 10-10-1941*To: Chief, Plant Engineering Section,
Emergency Ship Construction Division

From: Assistant General Counsel

Subject: Seattle-Tacoma Shipbuilding Corporation Facilities -
Subcontract with General Construction Company.

Reference is made to the contract between Seattle-Tacoma Shipbuilding Corporation and General Construction Company for the performance of certain engineering and construction work at the Shipbuilding Corporation's facilities at Tacoma, Washington, on the basis of cost plus 6%. It is estimated that the basic cost for performance exclusive of fee will be \$2,255,000 subject, however, to increase upon authorization in writing by the Shipbuilding Corporation.

Approval of this contract should not be granted on the compensation basis set forth above. There would be no objection, however, to revising the contract on a basis of cost-plus-a-fixed fee. I understand that this is in accord with your views and that it is your recommendation that the contract be approved on the basis of actual cost plus a fee for engineering services wherever performed and a fee for the construction work performed at the site of the facilities. In this connection it should be understood that reimbursable costs shall be limited to those items of cost covered by the principal facilities contract between the Commission and the Shipbuilder. It is noted that by Article 12 of the contract the contractor's fee of compensation may be paid on the basis of the actual percentage of work performed during each payment period. I believe this arrangement to be undesirable, and the revised contract should provide for the retention of a certain percentage of the fee until completion and acceptance of the work.

In addition to the changes necessary due to the change in the basis for compensation, the following amendments should be made:

1. At the end of Article 3, page 2, insert the following:

11-11

Chief, Plant Engineering Section - 2.


", but the Shipbuilder and/or the United States Maritime Commission shall have all the rights of the Contractor under any such commitments."

2. Article 8, pages 3 and 4, delete the clause beginning at the end of the 5th line with the words "and agrees." Insert in lieu thereof the following:

"and agrees to comply fully with all the undertakings and obligations of the Shipbuilder, except such as do not apply to the work to be performed hereunder, as are set forth in said contract DA-MCc-12, which is hereby accepted as a part of this agreement and made applicable to the operations of the Contractor hereunder."

3. The insertion of the words "up to date of termination" inserted after the words "this contract" in the 8th line and after the words "work expenditures" in the 10th line of Article 16 on page 6 is desirable. This confirms your notation on the copy of the contract transmitted by you.

The copy of the contract is returned herewith.


Wade H. Skinner
Assistant General Counsel

Attachment

CONSTRUCTION DIVISION
ROUTINE SLIPRETURN TO ADMINISTRATIVE
SECTION

Note

NOV 29 1941

Reply

COMMISSIONER VICKERY
DIRECTOR
EXECUTIVE ASST. TO DIRECTOR
~~PLANT ENGINEERING SECTION~~
ENGINEERING SECTION
HULL SECTION
PRODUCTION ENGINEERING SECTION
ASST. CHIEF PROD. ENGINEERING SECTION
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PROCUREMENT SECTION
ASST. CHIEF PROCUREMENT SECTION
HULL CONTROL BRANCH
ADMINISTRATIVE SECTION

File No. 1-1110-1-1000

Copies to Following

Mr. Gallagher
Mr. McDonald
Mr. McKeown
Mr. Malseed
✓ Mr. Lewis
Mr. Sanford
Mr. Barnes
Mr. Walsh

Tacoma, Washington
November 24, 1941

Mr. Herman F. Lane
Chief, Plant Engineering Section
Construction Division
U. S. Maritime Commission
Washington, D. C.



Subject: Facilities Contract DA-MCc-12
Sub-contract with Nautman Plumbing &
Heating Company

Dear Mr. Lane:

With reference to your letter of the 5th instant, above subject, attached hereto find three copies of contract referred to, which have been duly executed.

Three copies are being delivered to the Resident Auditor and one copy is retained in our files.

Very truly yours

Arthur C. Freeman
Resident Plant Engineer

ACF:VC

Enclosures Checked: *rc*
cc & 3 Copies Contract to
Henry B. Wilkinson
Resident Auditor

A G R E E M E N T

AGREEMENT, dated this 10th day of May, 1941, by and between SEATTLE-TACOMA SHIPBUILDING CORPORATION, a Washington corporation, party of the first part, hereinafter called the Shipbuilder and RAUTMAN PLUMBING & HEATING COMPANY, a co-partnership, registered as of Seattle, Washington, party of the second part, hereinafter called the Contractor.

WHEREAS, the Shipbuilder has entered into a contract with the United States of America, represented by the United States Maritime Commission, identified as Contract DA-MCc-12, dated May 10, 1941, and

WHEREAS under the aforesaid contract the Shipbuilder has agreed to construct certain shipyard facilities at or near the Shipbuilder's plant and yard at Tacoma, Washington and

WHEREAS the Contractor is organized with experienced and skilled personnel and has the knowledge and capacity required for the construction and installation of piping systems and work of a similar nature incidental to the Shipbuilder's construction program under the Contract DA-MCc-12, and

WHEREAS the plumbing sanitation and water system work must be performed by a registered plumber and whereas the registration of this corporation as a registered plumber is not permissible, and

WHEREAS the Contractor is desirous to perform the piping work required and agrees to perform the work under the conditions and terms herein stated.

NOW THEREFORE, the parties to this agreement, each in consideration of the mutual covenants and agreements on the part of the other herein contained do agree as follows:

1. The work and services to be furnished under this agreement by the Contractor shall be the organizing, planning, supervision and direction necessary to perform and to diligently prosecute to completion the installation of all of the plumbing, heating, sprinkler systems, sewer and water

systems, air, oxygen and acetylene piping together with all other piping to be provided by the Shipbuilder under the aforesaid Contract DA-MCc-12.

2. The work shall be performed by the Contractor to the satisfaction of the party of the first part and in accordance with the plans and specifications and related data furnished to the Contractor by the Shipbuilder. In no event shall work be performed prior to approval and order of the Shipbuilder and no subcontract shall be awarded by the Contractor for work required under this contract without the approval in writing of the party of the first part being first obtained.

3. The Contractor agrees to secure from such authorities as may have authoritative jurisdiction over the prosecution of the work, all licenses, permits, authorizations and approvals as may be necessary to effect completion and acceptance of the work. The work of water piping, hydrant, sprinkler and fire protection shall be in conformity with and subject to the requirements of the Washington Surveying and Rating Bureau.

4. The materials, small tools and machines required for the work shall be furnished to the Contractor by the Shipbuilder and the Contractor agrees to furnish the Shipbuilder with bills or lists of the materials and supplies so required together with specifications covering such materials in such detail as to permit the economical purchase, delivery and use of such required materials and supplies.

5. The Contractor further agrees to furnish the full time personal services of not less than one member partner of the Contractor firm as required to direct the work herein contracted, without charge to the party of the first part other than the fee compensation referred to in Article 7 of this agreement; and to execute the work by qualified, careful and efficient workers.

6. The Contractor has been provided with a copy of the contract dated May 10, 1941 and identified as Contract DA-MCc-12, between the Shipbuilder, party of the first part, and the United States of America represented by the United States Maritime Commission, receipt of the contract copy being acknowledged

by the signature hereto and agrees to comply fully with all the undertakings and obligations of the Shipbuilder except such as do not apply to the work to be performed hereunder, as are set forth in said Contract DA-MCc-12, which is hereby accepted as a part of this agreement and made applicable to the operations of the Contractor hereunder.

7. The true cost of the work as defined by the referenced Contract DA-MCc-12 shall be for the account of the party of the first part and the said party of the first part hereby covenants and agrees to pay or cause to be paid, such true costs as may be incurred under this agreement, and/or to reimburse the Contractor for expenditures made by the Contractor to defray true costs of the work as herein described, providing such expenditures shall have been first approved by the said party of the first part. In consideration of the faithful performance of the covenants and agreements made by the Contractor as set forth herein the Shipbuilder, party of the first part, agrees to pay or cause to be paid to the Contractor a fixed fee of \$5,000.00 as full compensation to the Contractor for the said Contractor's services.

8. The Shipbuilder's estimate of the labor cost of the work to be performed under this contract, exclusive of the Contractor's fee, is \$85,000.00. Partial payment of the Contractor's fee shall be made not later than ten days following the end of each monthly period, and the amount of such partial payments shall be eighty per cent (80%) of that percentage of \$5,000.00 that the value of the labor work completed during the monthly period bears to the total estimated cost of \$85,000.00. In no event shall payments aggregating more than \$4,000.00 be paid to the Contractor unless and until the entire work to be performed under this agreement shall have been completed, in accordance with this agreement, to the satisfaction of and acceptance by the Shipbuilder, party of the first part.

9. If at any time the Shipbuilder shall become dissatisfied with the manner in which the work is being conducted, or should wish, for any reason, to discontinue the work the Shipbuilder shall be at liberty, after five days written notice, to terminate this agreement and to take possession of the work done and materials purchased. In the event that the Shipbuilder shall exercise

this right of termination the Contractor shall be entitled to receive reimbursement for all proper expenditures made for the account of the Shipbuilder under this contract and not previously reimbursed; together with payment for its services in an amount equal to six per cent (6%) of the labor cost of the work expenditures as of the date of termination, less the amount of compensation previously paid as fees. It is understood, however, that nothing herein contained shall be construed as relieving the Contractor from liability on account of default under this agreement.

10. It is mutually agreed that the consideration of the terms and the validity of this contract shall be determined according to the laws of the State of Washington.

IN WITNESS WHEREOF the parties hereunto set their hands and seals as of the day and year first above written, although the agreement was actually signed on the 18th day of September, 1941.

Attest:

(Signed) E. L. Dalton
 SECRETARY
 UNITED STATES MARITIME COMMISSION
 By Arthur C. Freeman
 Resident Plant Engineer

OCT 18 1941

SEATTLE-TACOMA SHIPBUILDING CORPORATION

By (Signed) R. J. Lamont
 President

RAUTMAN PLUMBING & HEATING COMPANY
 (A co-partnership)

By (Signed) P. F. W. Neupert

COPY

PUGET SOUND NAVY YARD

OFFICER IN CHARGE OF SHIPBUILDING AND CONVERSION, U. S. NAVY
SEATTLE-TACOMA SHIPBUILDING CORPORATION

TACOMA, WASHINGTON

NL-14(AF)

Gg

From: Officer in Charge of Shipbuilding and Conversion, U. S. Navy
To: Seattle-Tacoma Shipbuilding Corporation, Tacoma, Washington

Subject: Lease with the Hooker Electrochemical Company for 9.8 Acres
of Parking lot adjacent to STSC, Tacoma, Washington.

Reference: (a) OINC Ltr. L-24 dated October 1942 to STSC
(b) STSC Ltr. NL-13 dated 5 February to OINC

1. The Officer in Charge in Reference (a) approved the original lease for the term from April 30th, 1942 to April 30, 1943 at a rental of \$200.00 a month.

2. Permission is granted to renew subject lease for an additional one year's period as requested in reference (b).

J. L. McGUIGAN

REPRODUCED AT THE NATIONAL ARCHIVES
SEATTLE-TACOMA SHIPBUILDING CORPORATION
TACOMA DIVISION
Foot of Alexander Avenue
TACOMA, WASHINGTON

May 21, 1942

Hooker Electrochemical Company
Tacoma, Washington

Attention: Mr. Wm. A. Perrin,
Assistant Treasurer

Gentlemen:

In accordance with the terms of lease dated
Mah 1, 1941, covering the parking area, you are hereby ad-
vised that we have elected to exercise our option of
extending the lease for one additional year, or until April
30, 1943.

The rental rate of \$200.00 per month, pay-
able in advance, and all other terms and conditions of the
lease are to remain unchanged.

Please indicate your acceptance of this
extension of the lease by signing one copy of this letter
and returning same for our files.

Very truly yours,

SEATTLE-TACOMA SHIPBUILDING CORPORATION

F. L. Anderson (Signed)
Assistant Secretary

HLA:T

ACCEPTED:

HOOKEE ELECTROCHEMICAL COMPANY

By Wm. A. Perrin (Signed)

Title Assistant Greasurer

MAY 77
-1061
COPY

THIS INDENTURE, Made this 1st day of May, 1941,
by and between HOOKER ELECTROCHEMICAL COMPANY, a corporation
duly organized and existing under and by virtue of the laws
of the State of New York, hereinafter designated as the
"Lessor," and SEATTLE-TACOMA SHIPBUILDING CORPORATION, a cor-
poration duly organized and existing under and by virtue of
the laws of the State of Washington, hereinafter designated
as the "Lessee,"

W I T N E S S E T H :

For and in consideration of the payment of the rent
hereinafter specified and performance of each and all of the
covenants and conditions herein contained on the part of the
Lessee to be performed, Lessor does hereby lease, demise and
let unto the Lessee and the Lessee does hereby hire, rent,
and lease from the Lessor those certain premises situate, lying
and being in the City of Tacoma, Count of Pierce, State of
Washington, and more particularly described as follows, to-wit:

Beginning on the Southeasterly line of Block 1,
in plat entitled "Ashton Replat," filed in the office
of the County Auditor of Pierce County, being State
Land Commissioner's Replat of Blocks 13 to 48, Tacoma
Tide Lands, King County Annex, at a point on said line
890 feet northeasterly from the southerly corner of
said Block, and being at the intersection of said
block line with the northeasterly line of Alexander
Avenue, as now laid out by the City of Tacoma; thence
on said southeasterly line of Block 1, north 42° 44'
24" east, 910 feet to the easterly corner of said
Block 1; thence on the northeasterly or northerly line
of said Block 1, north 47° 15' 36" west for a distance
of 500.00 feet, to a point; thence parallel with said
southeasterly line of Block 1, south 42° 44' 24" west
for a distance of 910 feet, to a point in line with
the extension of the northeasterly line of Alexander
Avenue; thence on said extended line, south 47° 15' 36"
east for a distance of 500.00 feet, to the point of
beginning:

Excepting therefrom, however, the southeasterly
120 feet of said tract for a distance of 225 feet north-
easterly from the northeasterly line of Alexander
Avenue extended, and also excepting that portion of said
tract constituting the spur track right of way granted
by Lessor herein to Lessee herein by agreement.

COPY

dated July 16, 1940.

The term of this lease shall be one year, commencing on the first day of May, 1941 and ending on the 30th day of April 1942.

For and in consideration of the lease the Lessee promises to pay to the Lessor, at its office located at No. 605 Alexander Avenue, Tacoma, Washington, the sum of TWO HUNDRED DOLLARS (\$200.00) at the time of execution hereof, receipt of which is hereby acknowledged, and the further sum of TWO HUNDRED DOLLARS (\$200.00) on the first day of June, 1941, and a like sum of TWO HUNDRED DOLLARS (\$200.00) on the first day of each and every calendar month thereafter during the term of this lease or any extension thereof.

For and in consideration hereof the Lessor does hereby give and grant unto the Lessee, at its option, the right and privilege of extending this lease from year to year subject to all the terms and conditions hereof, upon condition that the Lessee, on or before March 15th immediately preceding the termination of this lease or any extension thereof, delivers to the office of the Lessor, at its address hereinbefore mentioned, a written notice of election to exercise such extension for the next succeeding annual period. No extension under the provisions of this paragraph shall operate to extend or enlarge the right of option of extension hereby granted.

This lease is expressly made subject to each and all of the following terms, covenants and conditions:

1. The Lessee, at its own expense, shall, without delay, uniformly grade, condition and surface the demised premises together with the Southeasterly 120 feet of the tract

hereinabove described and abutting and adjoining the demised premises with crushed rock, suitable for the purpose of parking motor vehicles thereon, and, during the term of this lease or any extension thereof, shall keep and maintain the entire tract hereinabove described in such condition. Said tract shall be so graded as to provide proper drainage, so that all surface water shall be drained away from the plant premises of the Lessor adjoining the tract hereinabove described, and into the Hylebos Waterway. The Lessee, at its own expense, shall, without delay, build and erect a fence similar in construction to the Lessee's present southerly fence, with three strands of barbed wire at the top thereof, this fence to separate and divide from the demised premises that area 120 feet by 25 feet excepted by the Lessor from the terms and provisions hereof, and the Lessee shall keep and maintain said fence in a good state of repair during the term of this lease or any extension thereof. Said fence on the southwesterly boundary line of said tract shall be provided with a suitable gate. Said tract shall be graded, conditioned and surfaced, and said fence shall be erected, in a substantial, workmanlike manner.

2. The Lessee shall use said demised premises only for the purpose of parking motor vehicles owned or operated by the Lessee and its officers and employees. Said premises shall be used for no other purpose without the written consent of the Lessor first had and obtained. Except as permitted in paragraph numbered 1 hereof, no buildings or other structures shall be erected or maintained thereon.

3. The Lessee has thoroughly examined said demised premises, knows the condition thereof, and accepts the same in their present condition and waives all claims of whatsoever nature which may arise therefrom. It will permit no waste, damage or injury to the demised premises.

4. The Lessee shall and agrees that it will seasonably pay for all light, water and power used on said premises during the term hereof and will cause to be removed therefrom all garbage and refuse and will pay all claims of any kind connected with the use of said premises.

5. Lessee expressly agrees that said demised premises shall be used, occupied and conducted in all respects in compliance with every law, regulations, ordinance or other governmental enactment, whether of federal, state, county or municipal governments, and that said premises shall be so maintained, occupied and conducted at the sole cost and expense of Lessee.

6. No signs shall be placed in, on or about the demised premises without prior written approval of Lessor.

7. Should at any time during the term of this lease or any extension thereof, said demised premises be assessed for the purpose of general state, county and municipal taxes in excess of the assessed values made in the calendar year 1940, the Lessee will pay, upon demand, to the Lessor, an amount equal to the tax upon such excess value.

8. The Lessee hereby recognized the Lessor's title in and to the demised premises and agrees never to assail or resist Lessor's said title. The lessee recognizes that said

premises are subject to a certain indenture of mortgage dated as of February 1, 1937, made and executed by and between the Lessor herein, as mortgagor, and The New York Trust Company and Augustus C. Downing, as Trustee; and any and all indentures heretofore or hereafter executed supplemental thereto; and that the lease hereby granted is granted subject to the terms and provisions thereof:

9. The Lessee shall and agrees to indemnify the Lessor for, and save harmless the Lessor from, all loss or damage which may result to the Lessor, directly or indirectly, arising out of or from the granting of this lease or from the construction, operation, maintenance and repair of said parking lot, including all loss, of, or damage to, the Lessee's own property or to the person or property of others, whether caused by the operation or negligence of the Lessor or otherwise.

10. If any rents reserved herein or any part thereof shall be or remain unpaid when the same become due, or if the Lessee shall violate or default in any of the covenants, agreements, stipulations or conditions herein on its part to be performed, then after ten (10) days' written notice to the Lessee, it shall be optional for the Lessor to declare this lease forfeited and said term ended and to re-enter said premises with or without process of law, using such force as may be necessary to remove all persons and chattels therefrom; and the Lessor shall not be liable for damages by reason of such re-entry or forfeiture. Notwithstanding the right of the Lessor at its election to forfeit this agreement of leasehold, such right shall not be exclusive of any other right or remedy which the Lessor has or may have under the laws of the State of Washington, but shall be cumulative and in addition to all other remedies.

COPY

11. No waiver by the Lessor of a breach by the Lessee of any covenant, agreement, stipulation or condition of this lease shall be considered to be a waiver of any succeeding breach. It is further agreed that all the covenants, stipulations, agreements and conditions herein contained shall extend to and be binding upon the successors and assigns of the parties hereto, except as otherwise provided.

12. It shall be deemed a breach of this agreement of leasehold if the lessee is adjudged insolvent by any court, goes into bankruptcy by voluntary petition or otherwise, or if a receiver is appointed to take charge of its business, or if the Lessee makes any assignment for the benefit of creditors, and this lease may thereupon, without notice, be immediately terminated at the option of the Lessor, in which event the rights of the Lessee or any person claiming through it shall utterly cease and terminate and the Lessor may, without notice, re-enter and take full possession of the premises.

13. The Lessee shall not let or sublet said demised premises or any part thereof, nor pledge, mortgage or assign this lease without written consent of the Lessor. The prohibition herein contained against assignment of this lease shall apply equally to a voluntary or involuntary assignment or transfer.

14. Either party hereto shall have the right to terminate this lease, or any extension or renewal thereof, at any time by giving to the other ninety (90) days' written notice of its intention so to do.

15. Any notice in any manner relating to this instrument may be given by the Lessor to the Lessee by mailing the same, postage prepaid, by registered mail, directed

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to the Lessee at Post Office Box 4197, Tacoma, Washington.
Any notice in any manner relating to this instrument may
be given by the Lessee to the Lessor by mailing the same,
postage prepaid, by registered mail, directed to the Lessor
at 605 Alexander Avenue, Tacoma, Washington.

16. At the expiration of the term of this lease
or any extension thereof or any sooner termination of Lessee's
tenancy of the premises, the Lessee will, without notice,
quit and surrender to Lessor said demised premises in as good
state and condition as the same may be put in, ordinary use
and wear thereof, or damage by unavoidable casualty, excepted.

IN WITNESS WHEREOF, the parties hereto have executed
this instrument, each acting by its officer or officers there-
unto duly authorized, and having affixed thereto their
respective corporate seals, as of the day and year first above
written.

HOOVER ELECTROCHEMICAL COMPANY

By E. R. Bartlett
Its Executive Vice-President

ATTEST: L. A. Ward
Its Secretary

SEATTLE-TACOMA SHIPBUILDING CORPORATION

By R. J. Lamont
Its President

Attest: R. L. Dalton
Its Secretary

COPY

STATE OF NEW YORK, }
County of Niagara. } SS

On this 11th day of June, 1941, before me personally appeared E. R. Bartlett and L. A. Ward, to me known to be the Ex-Vice President and Secretary, respectively, of HOOKER ELECTROCHEMICAL COMPANY, the corporation that executed the above and foregoing instrument, and acknowledge the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Howard Leroy Keller
Notary Public in and for the State
of New York, residing at Niagara Falls

STATE OF WASHINGTON }
County of King } SS

On this 29th day of May, 1941, before me personally appeared R. J. Lamont and R. L. Dalton, to me known to be the President and Secretary, respectively, of SEATTLE-TACOMA SHIPBUILDING CORPORATION, THE corporation that executed the above and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Mary D. Gilbert
Notary Public in and for the State
of Washington residing at Seattle

LEASE AGREEMENT

THIS INDENTURE, executed in triplicate this 16th day of June, 1941, by and between TODD SEATTLE DRY DOCKS, INC., a Washington corporation, hereinafter designated as the "Lessor" and SEATTLE-TACOMA SHIPBUILDING CORPORATION, a Washington corporation, hereinafter designated as "Lessee",

W I T N E S S E T H:

In consideration of the mutual covenants herein contained it is agreed between the Lessor and Lessee as follows:

(1) PREMISES. The Lessor in consideration of the rental to be paid by the Lessee and the covenants and conditions to be observed and performed by the Lessee as in this agreement provided, agrees to and does hereby lease and let unto the Lessee for the term and period, and subject to the terms and conditions hereinafter stated, the following described real property situated in Pierce County, State of Washington, to-wit:

Beginning at the intersection of the center line of Alexander Avenue extended with the southeasterly line of Block 1, in Plat entitled "State Land Commissioner's Replat of Blocks 13 to 48, both inclusive, Tacoma Tide Lands, formerly in King County," recorded in the county auditor's office and commonly known as "Ashton's Replat," thence northwesterly along said extended center line a distance of 350' for the true point of beginning; thence northwesterly along said extended center line 1750'; thence north 13° 52' west 504.78'; thence north 35° 20' east 430.79'; thence south 47° 15' 36" east 2071.55'; thence south 42° 44' 24" west 45'; thence south 47° 15' 36" east 138'; thence south 42° 44' 24" west 660' to the true point of beginning.

The said described leased premises contain 33.6 acres more or less.

(2) TERM. The term of this lease shall be and is the period of five years, commencing on the 16th day of June, 1941, and terminating on the 15th day of June, 1946.

It is understood that the Lessee is engaged in the performance of contracts with the United States Maritime Commission and the United States Navy and that this lease at the option of the Lessee may, by giving written notice to the Lessor on or before the expiration date thereof, be extended until all contracts for the construction of vessels or parts thereof at or on the leased premises between the Lessee and the United States Maritime Commission and the United States Navy or other governmental agency, whether said contracts are now in existence or not, shall have been completed. Any such extension of the term of this lease shall be for the same rental and upon and subject to the same terms, provisions and conditions as applicable during the term herein stated.

(3) RENTAL. The Lessee agrees to pay to the Lessor as annual rental for the use of the leased premises during the entire term thereof the sum of \$8000.00, together with all taxes, assessments and other charges which may become due and payable against the leased real property as distinguished from the improvements thereon.

It is agreed between the parties hereto that the said rental shall be payable in advance in monthly installments computed as follows:

- One-twelfth of \$8000.00 plus
- One-twelfth of the taxes, assessments and other charges on the leased real property due and payable during the current year in which the monthly rental shall become due and payable.

It is understood that the monthly rental so computed will require some adjustments, and that the parties hereto will make such adjustments when the amount of said taxes, assessments and other charges become known, it being intended that the annual rental of \$8000.00 shall be net to the Lessor.

(4) TAXES AND ASSESSMENTS. In the event that buildings, structures, improvements, machinery, apparatus, fixtures, facilities or equipment (hereinafter collectively called "improvements") of the Lessee or others whether now existing or hereafter placed upon the leased premises, shall during the term of this lease be taxed or assessed together with and as a part of the leased premises, the Lessee shall and will and hereby covenants and agrees to refund to the Lessor upon demand, all taxes, assessments and charges of whatever kind or nature, levied upon or against said improvements, otherwise the Lessee shall pay the taxes and assessments thereon directly to the tax collecting officer, when due and before delinquent.

The Lessee shall and will pay to the tax collecting officer, before delinquent, all personal property taxes and other taxes on property of the Lessee or others which would or might, if unpaid, become or constitute a lien upon or against said premises, and the Lessee shall, if required by the Lessor, furnish to the latter satisfactory evidence of payment of such taxes.

The Lessee shall and will, and hereby covenants and agrees, to pay to the Lessor immediately upon termination of this lease, whether by expiration or otherwise, all such taxes and assessments levied or assessed, and thereafter to be levied or assessed upon said improvements, up to and including

the year in which termination of this lease occurs. In case the amount of any such taxes or assessments shall not be known to the parties at the time of termination, then the amount or amounts to be paid by the Lessee shall be based upon the taxes on said improvements last paid or accrued, subject to appropriate adjustment when the correct amount or amounts shall be ascertained.

(5) USE, ASSIGNMENT AND SUBLETTING. The Lessee shall not, without the written permission of the Lessor, use or permit the use of said premises for any other purpose than as a site for a shipbuilding yard and plant and operations incidental thereto, and such other related purposes as the United States Government or agency thereof may require.

The Lessee agrees not to let or sublet the whole or any part of the leased premises, nor to assign this lease or any interest herein or right hereunder, unless it first shall have obtained the written consent of the Lessor thereto, and any such assignment, letting or subletting, whether voluntary or involuntary or by operation of law, made or attempted without such prior written consent, shall, at the option of the Lessor, be wholly null and void and shall be and constitute cause for termination of this lease by the Lessor; provided, however, that Lessee may sublet the whole or any part of the leased premises or assign this lease or any interest therein or right hereunder, to any associated or affiliated company of the Lessee, or the United States Government or any agency thereof, without the written or other consent of the Lessor thereto, but the Lessee shall promptly notify the Lessor in writing thereof, and no assignment or subletting shall release the Lessee from the obligations of this agreement.

Under the terms of its contracts with the United States Maritime Commission and the United States Navy the Lessee is required to furnish performance and payment bonds executed by duly authorized bonding companies. In the event the United States Government, its agencies or the bonding companies are obliged to complete the vessels, or any of them, they shall have the right for such period as may be reasonably necessary for such completion, to continue to occupy the premises hereby leased upon the same terms and conditions enjoyed by the Lessee.

(6) CONSTRUCTION OF IMPROVEMENTS. Subject to each and all of the provisions of this agreement, the Lessee at its own expense shall have the right, but shall not be obligated, to construct and maintain buildings and/or improvements upon the leased premises, of design suitable for the purpose for which said premises are leased.

It is agreed that all buildings, machinery, equipment and other personal property constructed, installed or placed upon the leased premises shall be regarded as personal property of the Lessee, subject, however, to a lien which is hereby created in favor of the Lessor to secure the payment of all rentals and taxes and the performance by the Lessee of all other provisions, covenants and agreements on its part to be performed as provided by this lease agreement.

(7) LIENS. The Lessee shall be liable for all charges for water, light, heat, power and other services of whatsoever kind or nature furnished to or upon or for the benefit of the leased premises, and agrees to indemnify and hold harmless the Lessor and its property from and against any and all liens, claims, demands, costs, and expenses of whatsoever kind or

nature in any way connected with or growing out of any work done, labor performed or materials or services furnished at the instance of the Lessee.

(3) INDEMNITY. The Lessee agrees to indemnify and hold harmless the Lessor from and against liability for injury to or death of persons whomsoever, and damage to or destruction of property whatsoever occurring in, upon or about the leased premises and the improvements thereon from any defective or dangerous condition at any time existing in, upon or about said premises or improvements. The Lessee shall and will and thereby covenants and agrees to indemnify and hold harmless the Lessor from and against any and all loss, costs, damage and expense directly or indirectly resulting from or in any wise connected with the risks hereinabove specified.

(4) APPROPRIATION OF PREMISES BY PUBLIC AUTHORITY. If all or any part or parts of the premises hereby leased shall during the aforesaid leasehold term be taken or appropriated by action of the United States Government or of municipal authorities or other governmental bodies for public uses or purposes, and if such appropriation or taking be such as to prevent or substantially interfere with the Lessee's use and enjoyment of said premises in its business, then this lease and all rights, privileges, duties and obligations hereby granted and imposed shall forthwith cease and terminate without prejudice to the right of the Lessor to recover from such condemnor for the value of its property taken and damage sustained; also without prejudice to the right of the Lessee to recover from such condemnor the value of its leasehold and damage thereto. If, however, only a part of said premises are appropriated and a sufficient area remains for the successful conduct of the Lessee's business, then the Lessee shall relinquish only the

part taken, and as to the remainder of the property hereby leased this lease shall continue and be in full force and effect during the term thereof, subject to sooner termination as herein elsewhere provided; but in such event the rental payable under this lease shall be proportionately abated.

(10) DESTRUCTION OF IMPROVEMENTS. If during the term of this lease fire or other casualty shall destroy or shall damage any buildings or improvements now upon or hereafter placed upon the premises hereby leased, the rental and other payments to be made by the Lessee to the Lessor as herein elsewhere provided shall not abate; but the Lessee shall have the right and be privileged to rebuild and/or restore said buildings and improvements at its own expense.

(11) DISPOSAL OF IMPROVEMENTS. Upon the expiration or sooner termination of this lease the Lessee at its own expense shall and will promptly remove and within a reasonable time after such expiration or termination, from the leased premises, all improvements placed by the Lessee or others thereon, except such improvements as the parties hereto may mutually agree to leave on said premises.

(12) TERMINATION AND BREACH. The Lessee may terminate this lease by giving the Lessor sixty days notice in writing. The Lessee shall have sixty days from the date of said notice to deliver possession of the premises to the Lessor, but rental shall be payable to the date such possession is given. In the event the Lessee fails to pay the rental herein provided, or to perform any of the other terms and conditions hereof, the Lessor shall have the right to terminate this lease upon giving thirty days notice in writing, unless within such thirty day period

the Lessee cures any default or defaults existing. Waiver by the Lessor of a breach in any particular instance shall not be deemed or construed to be a waiver of any subsequent breach.

(13) SUCCESSORS AND ASSIGNS. This lease and each and every provision thereof shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

(14) EFFECT OF EXPIRATION OR TERMINATION. Whether the expiration or the sooner termination of this lease agreement shall operate or be construed to relieve, release or discharge the Lessee from any debt, duty or obligation which shall have attached or accrued, prior to such termination, under the terms of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this lease agreement as of the day and year first hereinabove written.

TODD SEATTLE DRY DOCKS, INC.

By R. L. LAMONT

President

(SEAL)

ATTEST:

O. E. LUND

Secretary

SEATTLE-TACOMA SHIPBUILDING CORPORATION

By WALTER L. GREEN

Vice President

ATTEST:

R. L. DALTON

Secretary

CONSTRUCTION DIVISION
ROUTING SLIPRETURN TO ADMINISTRATIVE
SECTION

Note

9/9/41 Reply

11/11/41
COMMISSIONER VICKERY
DIRECTOR
EXECUTIVE ASST. TO DIRECTOR
~~PLANT ENGINEERING SECTION~~ pgs
ENGINEERING SECTION
HULL SECTION
PRODUCTION ENGINEERING SECTION
ASST. CHIEF PROD. ENGINEERING SECTION
ASST. CHIEF PRODUCTION COST ESTIMATING
HULL SCHEDULE & PLANNING BRANCH
ENGINEERING SCHEDULE & PLANNING BRANCH
EXPEDITING BRANCH
COST REVIEW SECTION
COST ANALYSIS BRANCH
INSPECTION SECTION
ASST. CHIEF INSPECTION SECTION
PURCHASING SECTION
ASST. CHIEF PURCHASING SECTION
2 ADMINISTRATIVE SECTION

File
1

File No. 06710-1000

Copies to Following

Mr. Gallagher
Mr. McDonald
Mr. McKeown
Mr. Malseed
Mr. Hope
Mr. Sanford
Mr. Barnes

INDICATED
U. S. DEPT. OF COMMERCE
BRANCH
Tel. 31-2230 Or 588-543
TELEPHONE YOUR TELEGRAMS
TO POSTAL TELEGRAPH

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[52]
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THIS IS A FULL RATE TELEGRAM, CABLE-GRAM OR RADIOGRAM EXCEPT WHERE INDICATED BY SYMBOL IN THE PREAMBLE OR IN THE ADDRESS OF THE MESSAGE. SYMBOLS DESIGNATING SERVICE SELECTED ARE OUTLINED IN THE COMPANY'S TARIFFS ON HAND AT EACH OFFICE AND ON FILE WITH REGULATORY AUTHORITIES.

Form 15
VW9CB110 10-BUTTE MONT 2-810A-

HARRY HOPE-

MARITIME COMM WASHINGTON DC-

FILE COPY

SEP 9 AM 11 55

TACOMA WEDNESDAY WEATHER BAD NOTIFY MECHLIN OR BATES IF
NECESSARY-

FREEMAN-

9/9
9/10-1000

September 8, 1941

File: Q10-1000

Mr. C. E. Bateman
Plant Engineer
United States Maritime Commission
c/o Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington

Dear Mr. Bateman:

Subject: Facilities Contract DA-12 -
Ship Construction Contract

In accordance with your request of August 28, we are sending you herewith a copy of Contract No. MCo-1516 covering the construction of thirty C-3 vessels at the Seattle-Tacoma yard.

Yours very truly,

Harry M. Hope
Chief
Plant Engineering Section
Construction Division

Enclosure

Harry M. Hope/ecr
cc-Administration
Plant Engineering
Reading

INSTRUCTION DIVISION
ROUTING SLIP

TURN TO ADMINISTRATIVE
SECTION

Note

SEP 3 1941

Reply

J COMMISSIONER ~~VEHICULAR~~
DIRECTOR
EXECUTIVE DIRECTOR
PLANT ENGINEERING SECTION
ENGINEERING SECTION
HULL SECTION
~~PRODUCTION ENGINEERING SECTION~~
ASST. CHIEF PROD. ENGINEERING SECTION
ASST. CHIEF PRODUCTION COST ESTIMATING
HULL SCHEDULE & PLANNING BRANCH
ENGINEERING SCHEDULE & PLANNING BRANCH
EXPEDITING BRANCH
COST REVIEW SECTION
COST ANALYSIS BRANCH
INSPECTION SECTION
ASST. CHIEF INSPECTION SECTION
PURCHASING SECTION
3 ADMINISTRATIVE SECTION

Mr. Bann
Mr. Magnum
Ans 9/23/41
JS

File No. *OSM10-1000*

Copies to Following

Mr. Gallagher
Mr. McDonald
Mr. McKeown
Mr. Malseed
Mr. Hope

SEATTLE-TACOMA SHIPBUILDING CORPORATION
SEATTLE DIVISION

2400 - 11TH AVENUE S.W.

SEATTLE, WASHINGTON

August 20, 1941

*Mr. Schmitt
Contr. Div.*
The United States Maritime Commission,
Washington, D. C.Subject: Contract MCc-1516 - Construction Contract.
for 30 Steel Cargo Vessels.

Gentlemen:

The undersigned corporation is proceeding with the performance of the subject contract at its Tacoma, Washington plant.

In regard to material purchases, etc., the contract provides under Article 17, page 18, that "No order shall, however, be placed or subcontract made which calls for the performance of services or the delivery of materials, equipment and machinery at a price in excess of \$10,000.00 per vessel without the prior approval of the Commission or its authorized representative".

The subject contract is dated May 10, 1941 and covers ships duplicating the vessels being constructed as of May 10, 1941 under our contracts with you, numbered MCc-1064, 1065, etc. and dated September 30, 1940. In view of the duplication of specifications, etc. we were instructed by you, prior to the preparation of the subject contract, to proceed with the procurement and firm commitment on materials and equipment requirements for the thirty vessels. This procedure was followed, particularly with the vendors engaged in furnishing materials and equipment on our then current work, just as rapidly as possible.

To date we have not been advised of the designation of the Commission's representatives on the vessels contract authorized to pass on commitments in amounts less than \$10,000.00 nor has a procedure been set up to provide for approval of commitments in excess of \$10,000.00. This company has proceeded to contract for the vessels requirements, exercising its usual good business judgment and following its normal engineering and commercial practices in the


*Qm 10-1000**Copy for Cost Review Sec.
made 7/24/41
2K*

placing of orders and consultation with such Maritime Commission representatives as were available to us. However, the formal written approval of the purchase order contracts, etc. has not been effected by your Commission due to the lack of instructions and the absence of authorized representation.

Materials and equipment ordered are scheduled for delivery in the immediate future, making payments for such materials necessary and reimbursements to us for such payments imperative. We therefore ask that you promptly direct us as to procedure, advising us of the resident representative to whom such matters may be referred for definite action and the accredited official of your Commission authorized to approve contract commitments.

very truly yours,

SEATTLE-TACOMA SHIPBUILDING CORPORATION


R. L. Dalton
Secretary

RLD:G

August 19, 1941

File: QM-1000

Mr. G. A. Mechlin
Resident Plant Engineer
United States Maritime Commission
c/o Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington

Dear Mr. Mechlin:

Subject: Facilities Contract DA-12 -
Lease of Property for Seattle-Tacoma Yard

We are enclosing herewith copy of a letter from Mr. Lamont, President of Seattle-Tacoma Shipbuilding Corporation, dated August 5, 1941, regarding the leasing of approximately 50 acres of land for use in connection with Facilities Contract DA-12.

The proposed lease provides that, in addition to the rental payment of \$12,000 per annum, it will be necessary for the Commission to pay all taxes and improvement assessments levied or assessed against the leased premises.

Will you kindly advise us at your early convenience what, in your opinion, is the fair value of this property, and any other information you may have which will guide us in arriving at a fair rental price for the land.

Very truly yours,

Harry M. Hope
Chief
Plant Engineering Section
Construction Division

Enclosure

Harry M. Hope/ecr
cc-Administration
Plant Engineering
Reading

Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington
August 15, 1941

AIR MAIL

Construction Division
United States Maritime Commission
Washington, D. C.

Attention - Mr. Harry M. Hope

Subject: Acquisition of Sizer Property

As suggested by you in telephone conversation yesterday between you, Mr. Honsick, Mr. Quarg and myself, I am giving you the facts as near as I have been able to collect them relating to the various problems which have arisen under the contract for facilities with the Seattle-Tacoma Shipbuilding Corporation on which the Commission should act.

In connection with the acquisition by the Commission of the physical improvements on the Sizer property and the leasing from Seattle-Tacoma Shipbuilding Corporation of the land, the following is a brief statement of the present situation. The Todd Dry Dock Corporation has purchased from the Sizer Corporation approximately ten acres of land for which they paid \$36,000, which amount was the same sum paid to them when this land was originally purchased from them by the Sizer Corporation. As part of this transaction, Seattle-Tacoma Shipbuilding Corporation purchased from the Sizer Corporation the physical improvements located on this property consisting of a factory building and appurtenances.

This building consists of three old buildings which were purchased by the Sizer Corporation from the Todd Dry Dock Corporation, moved from their original location to their present location, remodeled and repaired by the Sizer Corporation, and used as a factory for the construction of wooden boxes and crates. The purchase price paid by Seattle-Tacoma Shipbuilding Corporation for this building, including its appurtenances such as railroad tracks, boiler plant, sprinkler system, etc., was \$214,000. The Seattle-Tacoma Corporation requests reimbursement of this amount under the facilities contract. This amount is one of the items of estimated cost in Exhibit "A" of Contract DA-MC-12.

QM 10-1000

Mr. Harry M. Hope

- 2 -

August 15, 1941

On authority of the Commission, I have employed the Appraisal Committee of the Tacoma Real Estate Board to make a study and appraisal of both the land and physical improvements of this property. I have furnished them with all data and information in my possession. In a preliminary meeting of this Committee which I attended, the Committee said that they would have complete and ready for submission their final report early next week, and that in the meantime they expressed the opinion that the \$36,000 purchase price of the land was considerably below its present market value which they estimated unofficially as being between \$60,000 and \$70,000. The Committee said that in estimating the probable value of the physical improvements, they believed it to be not more than \$80,000, and it might prove to be considerably below this amount. In an informal conference with representatives of the Seattle-Tacoma Shipbuilding Corporation on this subject, they said that a large percentage of the \$214,000, which is the amount paid for the physical improvements and property, should be applied to reimbursement for the damages which the Sizer Corporation suffered by vacation of the property.

It is my understanding that the present intention of the Commission is to institute condemnation proceedings based on the appraised value as determined by the Appraisal Committee of the Tacoma Real Estate Board. There is apparently no question but that the Commission will acquire title to the physical improvements on the Sizer property and will enter into a lease agreement for the land, as this is essential for the construction of the thirty cargo ships for which a contract has already been signed with Seattle-Tacoma Shipbuilding Corporation. Therefore I would suggest that I be given authority to approve the necessary alterations and improvements to the Sizer property as originally contemplated under the facilities contract, and that the Resident Auditor be instructed to pass these vouchers for this expense as a reimbursable cost.

I wish to stress the necessity of continuation of the alterations to the Sizer factory building, as the present office and storage facilities are entirely inadequate, and if the facilities contract and subsequent shipbuilding contract are to be efficiently prosecuted, the added facilities should be made available at the earliest possible time.

Very truly yours,

O. Alexander Machlin
Plant Engineer

OAK:rs

CONSTRUCTION DIVISION
ROUTING SLIP

RETURN TO ADMINISTRATIVE
SECTION

Note

AUG 16 1941

Reply

~~X~~ COMMISSIONER VICKERY
DIRECTOR
EXECUTIVE DIRECTOR
~~PLANNING~~ ENGINEERING SECTION
ENGINEERING SECTION
HULL SECTION
PRODUCTION ENGINEERING SECTION
ASST. CHIEF PROD. ENGINEERING SECTION
ASST. CHIEF PRODUCTION COST ESTIMATING
HULL SCHEDULE & PLANNING BRANCH
ENGINEERING SCHEDULE & PLANNING BRANCH
EXPEDITING BRANCH
COST REVIEW SECTION
COST ANALYSIS BRANCH
INSPECTION SECTION
ASST. CHIEF INSPECTION SECTION
PURCHASING SECTION
3 ADMINISTRATIVE SECTION

File No. Qm10-1000

Copies to Following

Mr. Gallagher
Mr. McDonald
Mr. McKeown
Mr. Malseed
Mr. Hope

Tacoma, Washington
August 13, 1941

AIR MAIL

United States Maritime Commission
Commerce Building
Washington, D. C.

Attention: Mr. Harry M. Hope

Subject: Alteration of Sizer Factory Building

Dear Mr. Hope:

I am attaching copy of letter directed to the Seattle-Tacoma Shipbuilding Corporation, attention of Mr. Lalley, calling to their attention that expenditures for labor and material used in the alteration or changes in the Sizer Factory Building will not be approved at this time.

The Seattle-Tacoma Shipbuilding Corporation are fully familiar with the circumstances concerning this property and its present status in regard to its acquisition by the United States Maritime Commission, and they have elected to continue with the alteration work on which they have expended approximately \$22,000.00 in labor and material to date. This expenditure has been without the authorization of the Plant Engineer.

Mr. Lalley claims that the added office space is urgently needed and that therefore he will continue the alteration of the Sizer Factory Building without the same being authorized and will eventually claim reimbursement for these expenditures.

Yours very truly

OAN:VC
Enclosure

O. A. Meehlin
Resident Plant Engineer

C O P Y

Tacoma, Washington
August 12, 1941

Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington

Attention: Mr. H. F. Lalley

Gentlemen:

Subject: Alterations of Buildings Located on Site Known As
the Sizer Property

In compliance with instructions received from the Maritime Commission I wish to notify you that I will not approve for payment the cost of any material or labor used in connection with alterations or changes of the original existing buildings located on that tract of land which has been known as the Sizer Property. This includes work which has previously been done as well as such work as you may choose to do.

These instructions are not to be interpreted as orders to discontinue work nor are they to be understood as stating that the actual cost expended by you in connection with this work will not receive approval for reimbursement, but merely indicates that under present conditions I am no longer authorized to approve the expenditure of any money for any purpose in connection with the work covered by the first paragraph of this letter.

These instructions also do not apply either to the clearing of the site for steel storage or the erection of the plate shop and its appurtenances.

Yours very truly

O. A. Mechlin
Resident Plant Engineer

OAM:VC

Mr. R. J. Lamont
Seattle-Tacoma Shipbuilding Corporation
2400 Klawueth Street, S. W.
Seattle, Washington

October 21, 1942

Dear Sir:

This refers to your recent request for a review of your application for payment under the Facilities Contract between your company and the Commission dated May 10, 1941 for the costs incurred in the purchase of certain buildings from Sizer and Company. The question of the approval of this payment has been reviewed in the light of the statements contained in the memorandum dated July 3, 1942 submitted to the Commission by your attorneys, Bogie, Bogie & Gates.

Under the terms of the aforementioned Facilities Contract, your company undertook to construct or acquire certain shipyard facilities listed in Appendix B attached thereto, and the Commission, subject to the terms and conditions of such contract, agreed to reimburse you for the costs incurred in the construction and acquisition of such shipyard facilities. It is provided that prior to the award of any order you shall obtain the approval of the Commission or its duly authorized representative to the placing of such order. It is also provided that in determining the costs reimbursable to your company there may be excluded therefrom any expense deemed by the Commission to be excessive.

The buildings in question were one of the items listed on Appendix B attached to the Facilities Contract. The contract between your company and Sizer & Company for the purchase of such buildings has not, however, been approved by the Commission or its duly authorized representative, nor has the purchase price which you agreed to pay thereunder ever been so approved, since the amounts shown on Appendix B are merely estimates of cost. Your company will not, therefore, be entitled to receive reimbursement for the payment made to Sizer and Company until such time as the Commission has approved such payment.

A review of all the facts in the case, including appraisals which had been made, leads to the conclusion that the maximum amount which could be approved by the Commission as a reasonable price for the property in question is the sum of \$85,000. Such sum will be approved as a reasonable price for the buildings and payment thereof

10230978

January 31, 1942

Mr. E. J. Lamont - 2.

made upon the receipt by the Commission of a release of any claim which you may have against the government for antinatal reimbursement.

Sincerely yours,

(Signed) E. S. LAMP
Chairman

cc: Mr. Fletcher
Bureau of Ships

WLB:wm:ldf
10/16/42

REPRODUCED AT THE NATIONAL ARCHIVES

TAB 7-41

CONSTRUCTION DIVISION
ROUTING SLIP

RETURN TO ADMINISTRATIVE
SECTION

Note

AUG 12 1941

Reply

1/ COMMISSIONER VICKERY
 DIRECTOR
 EXECUTIVE DIRECTOR
 2/ ~~PLANT~~ ENGINEERING SECTION
 ENGINEERING SECTION
 HULL SECTION
 PRODUCTION ENGINEERING SECTION
 ASST. CHIEF PROD. ENGINEERING SECTION
 ASST. CHIEF PRODUCTION COST ESTIMATING
 HULL SCHEDULE & PLANNING BRANCH
 ENGINEERING SCHEDULE & PLANNING BRANCH
 EXPEDITING BRANCH
 COST REVIEW SECTION
 COST ANALYSIS BRANCH
 INSPECTION SECTION
 ASST. CHIEF INSPECTION SECTION
 PURCHASING SECTION
 3/ ADMINISTRATIVE SECTION

@

A-19 - Ans.

File No. *Qm 10-1000*

Copies to Following

Mr. Gallagher
 Mr. McDonald
 Mr. McKeown
 Mr. Malseed
 Mr. Hope

Form 5101
Rev. 8-36

UNITED STATES MARITIME COMMISSION

INTER-OFFICE MEMORANDUM

August 11, 1941

OPO 11-11720

To: Director, Construction Division
Attention: Mr. Hope

From: Assistant General Counsel

Subject: Seattle-Tacoma Shipbuilding Corporation - Lease.

There is transmitted herewith a letter from Seattle-Tacoma Shipbuilding Corporation relative to the lease of certain land by it from Todd-Seattle Dry Docks, Inc.

The land referred to in this letter is adjacent to the Sizer property which it is now proposed to have the Commission condemn. I have received from the attorney for the contractor a proposed form of lease. Such form of lease provides that the lessee, in addition to the rental payment of \$12,000 per annum, will pay all taxes and improvement assessments levied or assessed against the leased premises. It is suggested that you review the attached letter, and on the basis of such letter and any other facts which you may require, recommend to the Commission what a fair rental for this property would be.

Walter H. Skene
Walter H. Skene
Assistant General Counsel

Attachment

SEATTLE-TACOMA SHIPBUILDING CORPORATION
SEATTLE DIVISION

2400 ELEVENTH AVENUE S. W.
SEATTLE, WASHINGTON

August 5, 1941

United States Maritime Commission,
Washington, D. C.

Attention: Mr. Harry M. Hope, Director
Plant Engineering.
Mr. J. A. Honsick, Chief
Construction Audit Section.
Mr. Wade H. Skinner,
Assistant Chief Counsel.

Subject: Approval of Lease Rental of Tacoma
Yard Facilities Property.

Gentlemen:

You have been furnished, under separate cover, with the suggested lease form to be used in the acquisition of the Tacoma, Washington plant facilities site. The lease has been drawn in accordance with your interpretation of the requirements under Article 26 of the Government Owned Facilities Contract DA-MCc-12, dated May 10, 1941.

This letter is written as our request for your approval of the lease rental obligation to be incurred as a cost under our contracts with you.

The referred to lease provides an annual rental payment of \$12,000.00 for the approximate 50.6 acres of land to be leased, or roughly \$237.15 per acre per year. The terms and the conditions of lease are set forth in the lease form.

We believe the rental basis to be fair, just and reasonable, predicated on our opinion on a study of land costs at the time of acquisition by the owner and the present market price of adjacent properties. We have confirmed our opinion by a statement from the books of the owner (Todd Shipyards Corporation - Todd Seattle Dry Docks, Inc.) showing a book value as of March 31, 1941 for 75.9 acres of \$226,811.44, or \$3,988.82 plus a cost per acre

for dredging and filling of \$242,824.89 for approximately 103 acres, or \$2,357.52 per acre, making a per acre cost or value to the owner of \$5,346.34.

The more recently acquired Sizer land incorporated in the area now leased covered 10.17 acres and was purchased by Todd Seattle Dry Docks, Inc. for the seller's book value of \$36,000.00 or \$3,539.82 per acre.

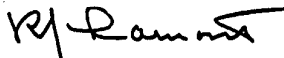
As the offered lease covers approximately 50.6 acres at an annual rental of \$12,000.00 or \$237.15 an acre and the land as improved may be consistently valued at \$4,000.00 per acre the rental price per acre is 5.9% of such valuation, before expense, interest, etc.

We have priced other Tacoma Tide Flat land and investigated recent sales of waterfront property, in our opinion inferior to the property covered by our lease, and Tacoma realtors have given prices ranging from \$3,000.00 to approximately \$5,000.00 per acre for land on the Hylebos Waterway south of our plant.

We ask your approval of the lease rental as set forth above and authority to execute the lease in the form submitted.

Very truly yours,

SEATTLE-TACOMA SHIPBUILDING CORPORATION



R. J. Lamont
President

① m10-1062

Emergency Ship Const.

AUGUST 1, 1941

O. ALEXANDER MECHLIN
PLANT ENGINEER
SEATTLE-TACOMA SHIPBUILDING CORPORATION
TACOMA, WASHINGTON

PURSUANT TO COMMISSION ACTION OF JULY 25, 1941 YOU ARE AUTHORIZED
TO EMPLOY TACOMA REAL ESTATE BOARD TO APPRAISE SIZER PROPERTY AND
IMPROVEMENTS THEREON COMPENSATION TO BE PAID IN ACCORDANCE WITH
BOARD'S REGULAR CHARGE WHICH WE UNDERSTAND IS ONE DOLLAR PER THOUSAND
DOLLARS OF APPRAISED VALUE WITH ADDITIONAL PAYMENT FOR ANY OUTSIDE
ENGINEERING SERVICES OBTAINED IN CONNECTION WITH APPRAISEMENT.

HARRY M. HOPE
U. S. MARITIME COMMISSION

PDPage, Jr./mlw

TAB 7-42

CONSTRUCTION DIVISION
ROUTING SLIPRETURN TO ADMINISTRATIVE
SECTION

Note

JAN 14 1942

Reply

COMMISSIONER VICKERY
DIRECTOR
EXECUTIVE ASST. TO DIRECTOR
ASST. TO THE DIRECTOR
~~PLANT ENGINEERING SECTION~~
ENGINEERING SECTION
HULL SECTION
PRODUCTION ENGINEERING SECTION
ASST. CHIEF PROD. ENGINEERING SECTION
ASST. CHIEF PRODUCTION COST ESTIMATING
HULL SCHEDULE & PLANNING BRANCH
ENGINEERING SCHEDULE & PLANNING BRANCH
EXPEDITING BRANCH
COST REVIEW BRANCH
COST ANALYSIS BRANCH
INSPECTION SECTION
ASST. CHIEF INSPECTION SECTION
PROCUREMENT SECTION
ASST. CHIEF PROCUREMENT SECTION
SHIPYARD PURCHASE CONTROL BRANCH
ADMINISTRATIVE SECTION

②

File No. QM10-44-3

Copies to Following

Mr. Gallagher - Production Engr.
Mr. McDonald - Production Engr.
Mr. McKeown - Inspection
Mr. Malseed - Expediting
Mr. Lane - Plant Engineering
Mr. Sanford - Inspection
Mr. Barnes - Cost Estimating
Mr. Walsh - Procurement

Tacoma, Washington
January 9, 1942

Mr. Herman F. Lane
Chief, Plant Engineering Section
Construction Division
U. S. Maritime Commission
Washington, D. C.

Subject: Lease Rental for 50.6 Acres of Land
Occupied by Shipyard.

Dear Mr. Lane:

In connection with our letter of even date on commitments, this afternoon, under date January 8, this office received from the Seattle-Tacoma Shipbuilding Corporation attached letter which has a bearing on same.

In connection with this matter, please refer to our letter of December 4, at which time lease rental amounted to \$4500.00 but which now totals \$6500.00.

Very truly yours

Arthur C. Freeman
Resident Plant Engineer

ACF:VC
Enclosures Checked:
Copy Letter 1-8-42.
Copy Letter 12-4-41.

TACOMA DIVISION

January 8, 1942

Mr. A. C. Freeman, Resident Plant Engineer
The United States Maritime Commission
Tacoma, Washington

SUBJECT: LEASE ON SHIPYARD FACILITIES
PROPERTY FROM TODD SEATTLE
DRY DOCKS, INC.

Dear Mr. Freeman:

On November 19, 1941, at your office, we discussed the matter of rental of the site on which the U. S. Maritime Commission Facilities are located, for the purpose of determining the date on which the ground rental should cease to become a charge against the Facilities Contract.

It is our opinion that the ground rental for the Facilities Shipyard site should be an item of cost under the Facilities Contract until November 30, 1941, after which date the Vessel Construction Contract should assume the monthly rental charges.

Pending the approval of the lease of this property from Todd Seattle Dry Docks, Inc., by the Washington office of the Maritime Commission, it is requested that you give this matter your consideration so that we can enter the monthly rental charges accordingly.

Very truly yours,

SEATTLE-TACOMA SHIPBUILDING CORPORATION

H. L. Anderson
H. L. Anderson
Assistant Secretary

HLA:T

INFORMAL RECORDS

Tacoma, Washington
December 4, 1941

Mr. Henry L. Anderson
Assistant Secretary
Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington

Subject: Lease Rentals Contract DA-MC - 12

Dear Mr. Anderson:

Regarding Voucher No. ESP 392 which has been presented to the Auditing Department for reimbursement for \$4590. for lease rentals of 50.6 acres of land occupied by the Shipyard, please be advised that the lease for this land has not yet been approved by the Maritime Commission and pending same we are advising the Auditing Department that reimbursement cannot be made.

In this connection, will you please arrange that requests for reimbursement on plant matters be presented through this office to the Auditing Department.

Very truly yours,

Arthur C. Freeman
Resident Plant Engineer

ACP:PPG

cc To - Henry B. Wilkinson
Resident Auditor

H. F. Lalley
Seattle-Tacoma Shipbuilding Corp.

February 2, 1942

United States Maritime Commission

Director, Construction Division
Via Commissioner VickerySeattle-Tacoma Shipbuilding Corporation, Tacoma, Washington - Additional
Facilities Contract for Conversion Program

In March 1941, the Seattle-Tacoma Shipbuilding Corporation requested \$3,975,000 for the construction of five additional shipways and for building the necessary outfitting wharves, buildings, shops and supplying the necessary cranes, tools and other facilities at their Plant No. 1 at Tacoma, Washington, for the purpose of fulfilling its shipbuilding contract, which was approved by the Commission on April 8, 1941.

In recent weeks, the Commission has been called upon to make conversion of certain vessels for purposes other than those for which they were originally designed and have made certain preliminary negotiations with this Contractor to do some of the conversions at the Tacoma Plant No. 1.

It is obvious that additional plant and facilities are necessary to enable the Contractor to make such conversions. Therefore, on January 21, 1942, the Contractor submitted a request for additional funds to enable it to proceed with the necessary additional facilities for the conversion of ships, in accord with the Commission's program, in the amount of \$3,295,600.

On the basis of the estimate four additional berthing piers with accessory service structures and augmented equipment therefor are provided.

Supplementing this request is a favorable report thereon by the Commission's Resident Plant Engineer of that yard.

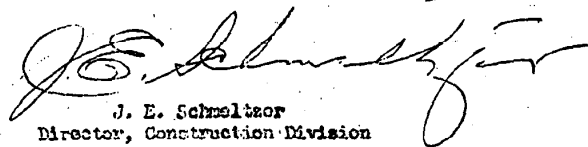
On further examination of the items of this estimate by the Plant Engineering Section, the necessity for four berthing docks and attendant increase in accessory structures and equipment does not appear to have been established. Therefore, a revision to the Contractor's request has been prepared on the basis of three additional berths for conversion purposes and including adequate accessory structures, yard facilities and ship equipment therefor in the amount of \$2,541,935, in accordance with the following items and associated amounts:

United States Maritime Commission -- 2 -- 2/2/41

On Wapato Waterway:		
Bulkhead, filling & dredging	\$ 100,000.	
Dock (1,500 ft. long)	480,000.	
Crane Truck	56,000.	
Assembly Platoon	90,000.	
Railroad Tracks	<u>15,000.</u>	\$ 741,000.
Buildings:		
Shop Buildings	150,000.	
Warehouse Building	75,000.	
Remodeling Drafting Office	<u>37,500.</u>	262,500.
Yard Development:		
Water & Airlines	71,350.	
Electric Conduit & Powerlines	75,000.	
Paving & Parking Space	<u>42,500.</u>	188,850.
Additional Tools & Equipment		
Plato Shop	112,500.	
Machine Shop	112,500.	
Pipe Shop	18,750.	
Sheet Metal Shop	37,500.	
Blacksmith Shop	18,750.	
Paint Shop	3,750.	
Sub-stations, Switchboards, Trans-		
formers & Powerline	75,000.	
3 Dentry Cranes	225,000.	
Yard Locomotive & Wagon Crane	75,000.	
Warehouses Hand Tools & Equipment	18,750.	
Joiner Shop, Tools & Equipment	18,750.	
Elect. Shop, Tools & Equipment	18,750.	
Rigging Shop, Tools & Equipment	7,250.	
Carpenter Shop, Tools & Equipment	18,750.	
Burner Shop, Tools & Equipment	37,500.	
Electric Welding Machines	187,500.	
Air Comp. & Receivers	112,500.	
Office Furniture & Equipment	<u>20,000.</u>	1,118,500
	Total	2,310,850
Contingencies - 10%		<u>231,085</u>
	Grand Total	\$ 2,541,935

United States Maritime Commission - - 3 - - 2/2/42

Recommendation: It is recommended, therefore, that the plant and facilities at the Seattle-Tacoma Shipyard Plant No. 1 be increased and approved in the total amount of \$2,541,935, and that this amount be allocated to a new facilities contract from Maritime Commission funds.

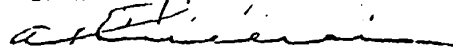

J. E. Schmeltzer
Director, Construction Division

APPROVED:

H. L. VICKERY
H. L. Vickery, Commissioner

Approved by the Commission

Date.....2/13/42


.....
Asst. Secretary

HermanFLane/ah
cc-Administration
Plant Engineering (10)
Reading
Mr. Schmeltzer
Mr. Honsick (2)
Commission (20)
SHEarber

gm10-7accant
March 3, 1942

United States Maritime Commission

Acting Director, Construction Division
Via Commissioner VickerySeattle-Tacoma Shipbuilding Corporation, Tacoma, Washington - Additional
Facilities Contract for Conversion Program

On April 3, 1941, the Commission authorized the Seattle-Tacoma Shipbuilding Corporation to construct five additional shipways and build the necessary outfitting wharves, buildings, shops, and supply the necessary cranes, tools and other facilities at their Plant No. 1 at Tacoma, Washington, for the purpose of fulfilling its shipbuilding contract in the amount of \$3,975,000.

On February 13, 1942, the Commission approved the Contractor's request for \$2,543,935, for the purpose of adding 3 berthing docks and appurtenant structures and equipment for the conversion of five C-3 cargo vessels into escort carriers, AVG.

On or about the middle of February, 4 additional vessels were assigned to the Seattle-Tacoma Shipbuilding Corporation by the Maritime Commission for conversion at that yard.

On March 2, the Contractor requested additional funds in the amount of \$1,052,465, for the purpose of enabling the added conversions to be made by constructing 2 additional berths along the Wapato Waterway, in extension of the 3 additional berths of the previous request, making a total of 5 berths and also for the purpose of installing the necessary additional warehousing, railroad trackage, cranes, and shipyard facilities, exclusive of necessary property to be acquired on which to place these improvements.

It is proposed to construct these improvements on the Peterman property, adjacent to the Seattle-Tacoma yards, on the South and extending along the Wapato Waterway for a distance of approximately 1,320 feet, and comprising an area of approximately 24 acres. Located thereon are buildings which will be vacated by Mr. Peterman and used by the Contractor for storage warehousing purposes, and which have a floor area of 215,000 square feet, the buildings and structures being in suitable condition for conversion to warehousing purposes.

It is contemplated that the Commission will act to condemn this property at once upon favorable action with respect to granting the additional funds requested, it being understood that Mr. Peterman has expressed himself as being

United States Maritime Commission - - 2 - - 3/3/42

In sympathy with such action and no objections will be raised. It is further understood that the costs of this property will be based on Mr. Pateman's actual cost of moving his equipment to another location.

A summarized estimate of the cost is as follows:

Dock Development- (1,320 lineal feet and Dredging same	\$ 376,500
Yard Development-Utility piping and general yard improvements	246,150
Yard and shop equipment	371,500
Contingencies	<u>59,315</u>
Total	\$1,053,465

A detailed estimate of the cost is attached hereto.

Recommendation: It is recommended that the Commission approve the additional funds for plant and facilities requested by the Seattle-Tacoma Shipyard at Plant No. 1, and that the additional amount of \$1,053,465 be authorized by the Commission for this purpose under Facilities Contract WCo-1951, and that the Assistant General Counsel be instructed to start condemnation proceedings of the Pateman property at once.

Carl W. Fletcher
Carl W. Fletcher

Acting Director, Construction Division

APPROVED

H. L. Vickary
H. L. Vickary, Commissioner

2/12
Herman/Lane/kh
cc-Administration
Plant Engineering (4)
Reading
Mr. Hornsick
Mr. Fletcher
Commission (20)
Mr. Callahan
Mr. Malseed
SHHarber

SEATTLE-TACOMA SHIPBUILDING CORPORATION

Approximate Allotment of Additional Facilities
Funds for Seattle-Tacoma Shipbuilding Corporation - Tacoma Division

Detailed Approximate Estimate

DOCK DEVELOPMENT

Dock - Additional 1,320 lineal feet	\$ 376,500	
Sub-total		\$ 376,500

YARD DEVELOPMENT

Grading	15,000	
Railroad Tracks	20,000	
Paving and Furling	57,500	
Electrical Conduit & Power Lines	75,000	
Piping, water, air, sewage, etc.	28,650	
Crane erection, machinery erection and foundations	<u>50,000</u>	
Sub-total		246,150

YARD & SHOP EQUIPMENT

Machine Shop	12,000	
Sheet Metal	12,000	
Sub-station Transformers & Power Distribution	25,000	
Gantry Cranes	195,000	
Yard Locomotive & Wagon Cranes	25,000	
Receivers	12,000	
Electric Welding	62,000	
Furniture & Fixtures	<u>28,900</u>	
Sub-total		371,500

Contingencies	<u>59,315</u>	
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Total		\$1,053,465
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March 2, 1942

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IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE WESTERN DISTRICT OF WASHINGTON
SOUTHERN DIVISION.

UNITED STATES OF AMERICA,
Petitioner,

-vs-

23.283 Acres of Land, More
or less, situate in Pierce
County, State of Washington;
PETERMAN MANUFACTURING
COMPANY, a co-partnership
consisting of Katherine T.
Peterman, Gladys Peterman,
and T. A. Peterman;
KATHERINE T. PETERMAN, a
widow;
GLADYS PETERMAN, an unmarried
woman;
T. A. PETERMAN and IDA
PETERMAN, husband and wife;
STATE OF WASHINGTON;
PIERCE COUNTY, a municipal
corporation;
CITY OF TACOMA, a municipal
corporation;
TODD SEATTLE DRY DOCKS, INC.,
a corporation;
HOOKER ELECTROCHEMICAL
COMPANY, a corporation;
SIZER & COMPANY, a corporation;

Also all other persons or
parties unknown claiming any
right, title, lien or interest
in the premises herein
described,

Respondents.

No. 385

JUDGMENT

This matter coming on regularly before this Court
on this 20th day of July, 1942, F. F. Keenan, Special
Assistant to the Attorney General of the United States,
John W. Fishburne, and Oliver Malm, Special Attorneys for
the Department of Justice, appearing for the petitioner the
United States of America; Neal, Bonneville and Hughes
appearing as attorneys for the Peterman Manufacturing
Company, a co-partnership, and Katherine T. Peterman, a
widow, Gladys Peterman, an unmarried woman, and T. A.

Peterman and Ida Peterman, husband and wife; and Metzger, Blair and Gardner appearing as attorneys for Hooker Electrochemical Company, a corporation; and Bogle, Bogle and Gates appearing as attorneys for Todd Seattle Dry Docks, Inc., a corporation; and the Court being advised of that certain stipulation filed herein on the 20th day of July, 1942; testimony having been presented and the Court being fully advised, and finding that the petitioner, the United States of America, is entitled to a judgment, the Court finds the following facts:

I.

That this proceeding was instituted by the United States of America, as petitioner, for the purpose of acquiring title to the lands and other property rights, described in said petition filed herein and hereafter described, for the necessary public use of petitioner, by means and procedure of condemnation under judicial process in conformity and in compliance with the provisions and requirements of law contained in Acts of Congress approved July 2, 1917 and April 11, 1918, c. 51, 40 Stat. 518 as amended by public law 507, 77th Congress, and approved March 27, 1942, and known as the Second War Powers Act, and according to the method and procedure for condemnation under judicial process contained in the Act of Congress approved August 1, 1888 (25 Stat. 357 U.S.C. Title 40, sec. 257), authorizing officers of the United States Government to acquire real estate for public use by condemnation under judicial process; and the Court further finds that the President of the United States of America issued an Executive Order, Number 9129, dated April 13, 1942, authorizing the Maritime Commission to bring the above-entitled condemnation procedure;

II.

That the Chairman of the United States Maritime Commission is of the opinion and has deemed that it is necessary and advantageous to the Government to acquire title to the lands hereinafter described by condemnation under judicial process, and the money has been appropriated to pay for said lands; and further that the said Chairman of the United States Maritime Commission has requested the Attorney General of the United States to cause condemnation proceedings to be instituted for the acquisition by the United States of said lands and property rights as provided in the Act of Congress approved August 1, 1888, authorizing the condemnation of the lands for public purposes;

III.

That on May 5, 1942, this Court signed and entered an Order of Possession, granting possession of said property to the petitioner on June 1, 1942; and that on May 6, 1942, this Court entered an order finding that the purpose of condemnation herein is a necessary public use for petitioner.

IV.

That all necessary parties have been duly served with process, that an appearance has been filed herein by the Peterman Manufacturing Company, a co-partnership consisting of Katherine T. Peterman, Gladys Peterman, and T. A. Peterman and Ida Peterman, and Katherine T. Peterman, a widow, Gladys Peterman, an unmarried woman, and T. A. Peterman and Ida Peterman, husband and wife, the Hooker Electrochemical Company, Todd Seattle Dry Docks, Inc., Sizer & Company, formerly Raymond Veneer Company, (sometimes written Sizer and Company) and Pierce County, which has filed a waiver of any claims for taxes as against said property; and that said lands, together with all claimants and parties interested therein, are within

the jurisdiction of this Court which has power and authority to enter this judgment.

V.

That the interest sought to be acquired by petitioner is a fee simple absolute title to Tracts 1 and 2, [and an easement over said Tract 3 for right-of-way for road purposes, all of said tracts being more fully described hereinafter.]

VI.

That the said Peterman Manufacturing Company, a co-partnership, and Katherine T. Peterman, a widow, Gladys Peterman, an unmarried woman, and T. A. Peterman and Ida Peterman, husband and wife, individually, were the owners of the fee simple title to the real estate known as said Tracts 1 and 2, and an easement for right-of-way for road purposes over said Tract No. 3, and are entitled to an award and judgment as stipulated and agreed to by the aforesaid Stipulation as full and complete settlement and award of just compensation for said fee simple title to said Tracts 1 and 2 and said easement over said Tract 3.

VII.

That the sum of \$875,000.00, said amount to bear interest at six per cent per annum from thirty (30) days after the date of entry of this judgment until paid, is a fair and reasonable value and just compensation for the property to be taken by the petitioner herein.

It is therefore ORDERED, ADJUDGED and DECREED

1. That the State of Washington, and the City of Tacoma, a municipal corporation, be and each of them is hereby defaulted and are forever barred from claiming any right, title, lien, interest, or estate in or to the property taken by the petitioner in this cause;

2. That the respondents, Peterman Manufacturing Company, a co-partnership consisting of Katherine T. Peterman,

Gladys Peterman and T. A. Peterman and Ida Peterman, and Katherine T. Peterman, a widow, Gladys Peterman, an unmarried woman, and T. A. Peterman and Ida Peterman, husband and wife, do have and recover judgment of and from petitioner, United States of America, and judgment is hereby entered in their favor against the United States of America in the total sum of EIGHT HUNDRED SEVENTY FIVE THOUSAND (\$875,000.00) DOLLARS, said amount to bear interest at six per cent per annum from thirty (30) days after the date of entry of this judgment, until paid.

That all the right, title, interest, claims, liens and estate of any character whatsoever belonging to each and all of the respondents above named in this paragraph in and to the following described lands and easement, to-wit:

Tract No. 1: Beginning at the Southerly corner of Block 13 of the State Land Commissioner's Replat of Blocks 13 to 48 Tacoma Tide Lands, formerly in King County, and running thence North 47 degrees 15 minutes 36 seconds West, a distance of 1000 feet to the Westerly corner of said Block 13, thence North 42 degrees 44 minutes 24 seconds East, a distance of 770 feet to the Southwesterly margin of Alexander Avenue, thence South 47 degrees 15 minutes 36 seconds East along the Southwesterly margin of Alexander Avenue, a distance of 1000 feet, thence South 42 degrees 44 minutes 24 seconds West, a distance of 770 feet to the point of beginning, containing 17.677 acres, more or less,

Tract No. 2: Also beginning at the Southerly corner of Block 1 of the State Land Commissioner's Replat of Blocks 13 to 48 of Tacoma Tide Lands, formerly in King County, and running thence on the Southwesterly line of said Block 1, North 47 degrees 15 minutes 36 seconds West, a distance of 317.14 feet, thence parallel with the Southeasterly line of said Block North 42 degrees 44 minutes 24 seconds East, a distance of 770 feet to the extended Southwesterly line of Alexander Avenue, as now laid out by the City of Tacoma, thence on said extended line of Alexander Avenue South 47 degrees 15 minutes 36 seconds East, a distance of 317.14 feet, to the Southeasterly line of said Block 1, thence South 42 degrees 44 minutes 24 seconds West, on said Southeasterly line of Block 1 a distance of 770 feet to point of beginning, containing 5.606 acres more or less. Total acreage equals 23.283 acres more or less.

Together with an easement for right of way for road purposes over the following described real property:

Tract No. 3: [The Southwesterly half of the extension of Alexander Avenue as now laid out by the City of Tacoma, described as beginning on the Southeasterly line of Block 1 of said Replat aforesaid at a point 770 feet Northeasterly from the Southerly corner of said Block 1, thence parallel with the Southwesterly line of said Block Northwesterly a distance of 317.143 feet; thence parallel with said Southeasterly line of said Block Northwesterly a distance of 60 feet; thence parallel with said Southwesterly line of said Block Southeasterly a distance of 317.14 feet to said Southeasterly line, thence Southwesterly a distance of 60 feet to the place of beginning.
All situate in the City of Tacoma, County of Pierce and State of Washington;]

including all improvements and appurtenances thereto and the buildings and concrete construction and wooden structures attached to the land, and particularly the following:

- (a) The 100,000 gallon water storage tank, complete;
- (b) The underground water and fire system;
- (c) Sewage System; plumbing system complete and drinking fountains;
- (d) Sprinkler system, complete;
- (e) 120 foot span bridge crane and craneway, complete;
- (f) The electric light system, including, but not restricted to, the fixtures, conduits, wiring and controls connected with said lighting system;
- (g) The electric hot air heating system and appurtenances contained in the office building;
- (h) The main steam line and return line in tunnel from the power house to the veneer factory and one 6-inch main steam line and two 4-inch pipe lines in tunnel from power house to saw mill;

are hereby divested from and out of each and all of the said respondents above named in this paragraph 2 and are hereby vested in the petitioner, United States of America, its successors or assigns, in fee simple absolute as to said Tracts 1 and 2, [and an easement for right-of-way for road purposes over said Tract 3,] except that said easement right is and shall be taken by petitioner subject to any and all rights now vested in the Hooker Electrochemical Company or Todd Seattle

Dry Docks, Inc., relating to said Tract 3.

3. There is hereby excepted from the property and property rights to be acquired by the petitioner, as above described and enumerated, the following:

- (a) Conveyors in the door factories;
- (b) Dry Kiln doors in the door factory end;
- (c) Portable offices in door factory and veneer plant;
- (d) All personal property which is in no wise attached to said premises and which has not been hereinbefore enumerated as being acquired by petitioner;
- (e) All machinery, tools and equipment, including conveyor systems, blower pipe system, power-house equipment and boilers, complete, and all shafting, belting and chains;
- (f) All steam pipes, steam piping and steam fittings, excepting the steam lines shown above in subdivision "h" of paragraph "2", to be acquired herein by petitioner;
- (g) All tracks and rails and overhead rail systems and cranes, excepting the said 120 foot span bridge crane and craneway;
- (h) All electrical wiring, switches, switchboards, conduits and connections, including underground wiring and conduits, except electric light wiring system;

and the respondents, Peterman Manufacturing Company, a co-partnership consisting of Katherine T. Peterman, Gladys Peterman, and T. A. Peterman and Ida Peterman, and Katherine T. Peterman, a widow, Gladys Peterman, an unmarried woman, and T. A. Peterman and Ida Peterman, husband and wife, may retain and at their option at any time before August 31, 1942, remove from the above-described premises at their own expense all of the property in this paragraph above enumerated, together with all their property not described above in this paragraph, including all personal property and fixtures, whether the same be in fact or in law fixtures or not, except that certain property described and enumerated in paragraph "2" above.

4. That the Clerk of this Court shall neither charge, take nor require to be paid any fee or poundage on account

of the deposit into the registry of this Court of any money or sum of money by the petitioner, the United States of America, for the account or benefit of any of the respondents whatsoever named in this action. That upon deposit, by petitioner, of the amount of said judgment into the registry of this Court, the Clerk of this Court shall forthwith pay or disburse the same to the respondents, Peterman Manufacturing Company, a co-partnership consisting of Katherine T. Peterman, Gladys Peterman, and T. A. Peterman and Ida Peterman, and Katherine T. Peterman, a widow, Gladys Peterman, an unmarried woman, and T. A. Peterman and Ida Peterman, husband and wife.

5. That a certified copy of this judgment be prepared and recorded in the Auditor's office of the County of Pierce, State of Washington, wherein said lands are situated; and that jurisdiction of this proceeding is hereby retained for the purpose of all necessary further proceedings herein and for the entry of such further orders and decrees as the Court may deem proper.

DONE IN OPEN COURT this 20th day of July, 1942.

Presented by:

/s/ JOHN C. FOWEN

Oliver Malm
Special Attorney, Department
of Justice

Approved:

Neal, Ponneville & Hughes

By L. R. Ponneville
Attorneys for Respondents, Peterman
Mfg. Co., Katherine T. Peterman, Gladys
Peterman, and T. A. Peterman and Ida
Peterman.

Metzger, Blair & Gardner

Attorneys for Hooker Electrochemical
Company.
Pogle, Pogle & Gates
By Max Kaminoff
Attorneys for Todd Seattle Dry Docks, Inc.

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE WESTERN DISTRICT OF WASHINGTON
SOUTHERN DIVISION

UNITED STATES OF AMERICA,)
Petitioner,)
-vs-)
23.283 Acres of Land, more)
or less, situate in Pierce)
County, State of Washington,)
et al.,)
Respondents, (

No. 385

JUDGMENT.

* * * *

This matter coming on regularly before this Court on the 20th day of July, 1942, F. P. Keenan, Special Assistant to the Attorney General of the United States, and John W. Fishburne and Oliver Malm, Special Attorneys for the Department of Justice, appearing for the petitioner, the United States of America, and Henderson Carnahan & Thompson, appearing as attorneys for Sizer & Company, a corporation, (sometimes written Sizer and Company), and the Court being fully advised in the premises and finding that the respondent, Sizer & Company, a corporation, and the petitioner have stipulated and agreed to the entry of a judgment herein in accordance with the stipulation heretofore made and entered into by and between said respondent and the petitioner and on file herein, and the Court further finding that the sum of One Thousand (\$1,000.00) Dollars is a fair and reasonable value and just compensation for the property hereinafter described, sought to be taken by the petitioner from said respondent, and the Court further finding that the respondent, Sizer & Company, a corporation, (sometimes written Sizer and Company), is the sole owner of the building hereinafter described.

It is therefore, ORDERED, ADJUDGED and DECREED

1. That the respondent, Sizer & Company, a corporation, (sometimes written Sizer and Company), shall have judgment for and shall have and recover from the petitioner, the United States of America, the sum of One Thousand (\$1,000.00) Dollars, without interest thereon;

2. That upon the entry of this judgment, all right, title, interest, claim, lien and estate of any character whatsoever and belonging to the respondent, Sizer & Company, a corporation, (sometimes written Sizer and Company), in and to the realty hereinafter described shall be divested from and out of said respondent and all interests of said respondent in and to said property shall vest in the United States of America, its successors and assigns, in fee simple absolute, said property being as follows:

That certain building, approximately 40' x 80' in dimension of wooden construction, heretofore used for storage of machinery and equipment, owned by said Sizer & Company, a corporation, situated upon the following described real property, situate in the County of Pierce, State of Washington, to-wit:
Tract No. 2.

Beginning at the Southerly corner of Block 1 of the State Land Commissioner's Replat of Blocks 13 to 48 of Tacoma Tide Lands, formerly in King County and running thence on the Southwesterly line of said Block 1; North 47 degrees 15 minutes 36 seconds West, a distance of 317.14 feet, thence parallel with the Southeasterly line of said Block North 42 degrees 44

minutes 24 seconds East, a distance of 770 feet to the extended Southwesterly line of Alexander Avenue, as now laid out by the City of Tacoma, thence on said extended line of Alexander Avenue South 47 degrees 15 minutes 36 seconds East, a distance of 317.14 feet, to the Southeasterly line of said Block 1, thence South 42 degrees 44 minutes 24 seconds West, on said Southeasterly line of Block 1 a distance of 770 feet to point of beginning, containing 5.606 acres more or less.

3. That the Clerk of this Court shall not charge, take nor require to be paid any fee or poundage on account of the deposit into the Registry of this Court of any money by the petitioner, the United States of America, for the account or benefit of the respondents whatsoever named in this action;

4. That a certified copy of this judgment be prepared and recorded in the Auditor's Office of the County of Pierce, State of Washington, wherein the above described real property and realty are situated; and that jurisdiction of this proceeding is hereby retained for the purpose of all necessary further proceedings herein and for the entry of such further orders and decrees as the Court may deem proper.

DONE IN OPEN COURT this 20th day of July, 1942.

/s/ JOHN C. BOWEN
United States District Judge.

Presented by:

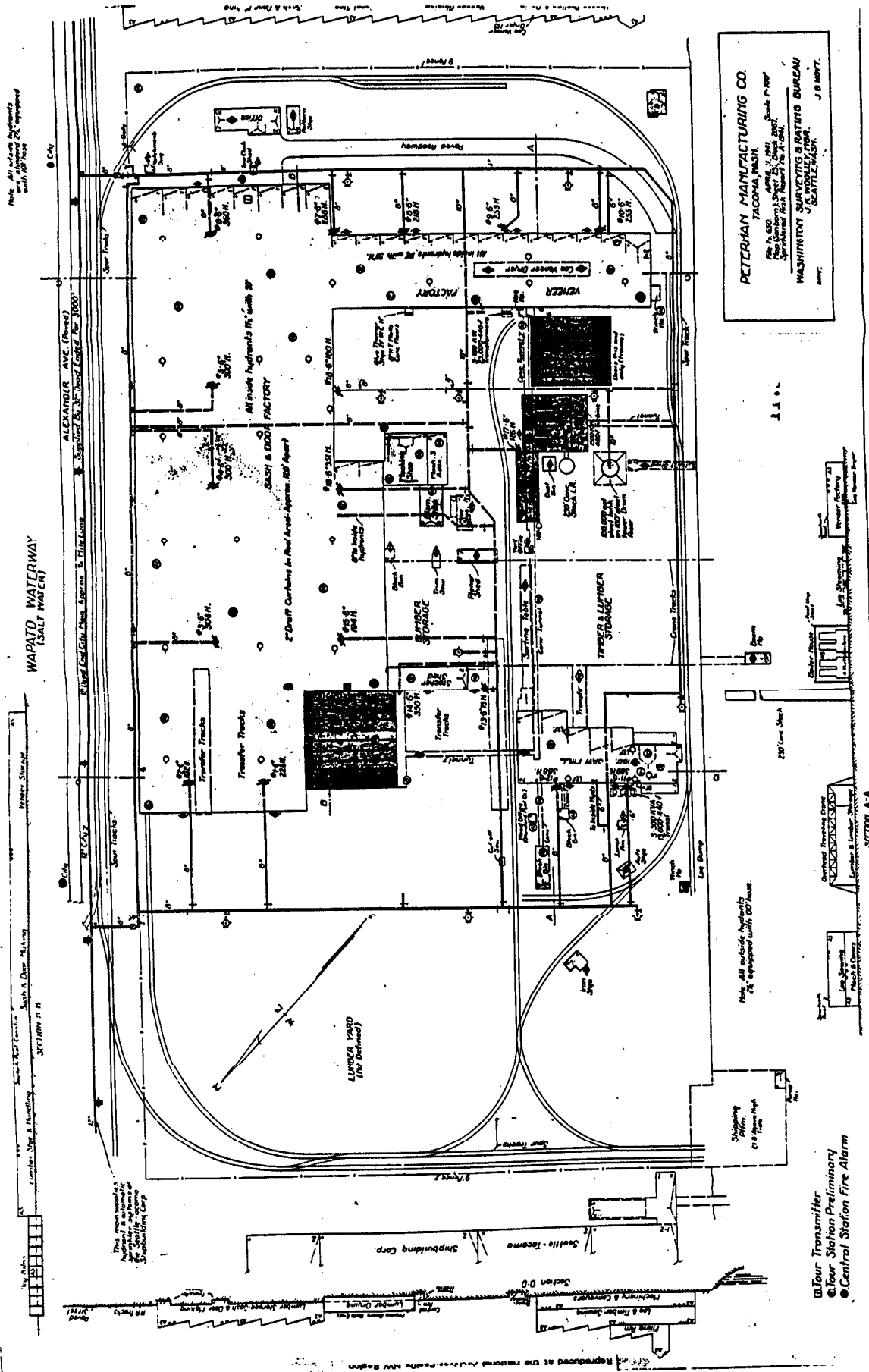
OLIVER PALM
Spec. Atty Dept. of Justice

Approved:

HENDERSON, CARNAHAN &

THOMPSON by Scott Z. Henderson

Attorneys for the respondent
Sizer & Company.



PETERMAN MANUFACTURING CO.
 TACOMA, WASH.
 P.O. BOX 650
 APRIL 1, 1941
 WASHINGTON SURVEYING & RATING BUREAU
 J.B. MOYER

- ① Tour Transmitter
- ② Tour Station Preliminary
- ③ Central Station Fire Alarm

SECTION A-A

N. B. S. 59
(Rev. 9/41)

ROUTE SLIPNAVY DEPT
BUREAU OF NAVAL PERSONNEL

Code of Originating Section _____ Initialed By _____ Date _____

[illegible]

REPRODUCED AT THE NATIONAL ARCHIVES

Todd Shipyards Corporation

NEW YORK OFFICE: 1 BROADWAY - TELEPHONE DIGBY 4-6900 - CABLE "ROBIN" NEW YORK

September 23, 1942

one of the
them to
You are
Letter of

Navy Department
Bureau of Ships
Washington, D. C.

Seattle-
1 Broadway
New York
ACCEPTED

The under-

value base
purchase

SEATTLE-

By _____
(In
Name)

cc:
GAO
BuD
Off:
Se.
Ta.

Gentlemen:

We are returning herewith the Letter of the Navy Department, dated September 21, 1942, signed by a duly authorized officer of this company. In accepting this Letter of intent, we do so only upon the understanding and the condition that our rights with respect to our claims hereinafter described against the Government are fully preserved and are not thereby released. The Letter of intent, and a similar Letter of intent from the Maritime Commission, transfer the facilities from one Governmental Agency to another. To this we have no objection, but we do insist that our signing of the enclosed Letter of intent, and the Letter of intent of the Maritime Commission, be not construed as a waiver by us of the hereinafter described claims. We are willing to discuss and equitably settle these claims with either the Navy Department or the Maritime Commission, or with both. In order to preserve our rights to reimbursement with respect to these claims we are sending a letter similar to this one with our acceptance of the Maritime Commission's Letter of intent, dated September 23, 1942, to acquire these facilities.

The claims herein referred to are described as follows:

1. The claim of this company that it is entitled to reimbursement in full for the amount expended by it for the installation of mineralized-cell treated piling in the construction of the outfitting dock as provided for in Contract MCc-1951 (formerly DA-MCc-12).
2. The claim of the contractor that it should be reimbursed in full for the amount expended by it for the purchase of then existing facilities on property known as the Sizer property.

Yours very truly,

SEATTLE-TODD SHIPBUILDING CORPORATION

R. J. Dunn
President

10091927

REPRODUCED AT THE NATIONAL ARCHIVES

7 FILE Corp. (75110)mo 9/11/42

NAVY DEPARTMENT
BUREAU OF SHIPS
WASHINGTON, D. C.

Gentlemen:

The United States Maritime Commission and the Navy Department have determined that jurisdiction over the facilities project now covered by contract DA-MCo-12, as amended, between the United States of America and your corporation, and comprising the addition to your shipyard in Tacoma, Washington, on a site leased by you from Todd Seattle Dry Docks Inc., of shipbuilding facilities having a total estimated cost of \$7,570,400, should be transferred by the Commission to the Department.

Under the arrangements which have been made with respect to such transfer, the Commission will proceed with the project through September 30, 1942, reimburse you for all but \$300,000 of the expenses incurred by you in connection therewith prior to the close of business on that date, and thereafter have no rights or obligations in respect of the project. The Navy Department will then assume jurisdiction over the project, reimburse you for such \$300,000 of expenses and provide for the completion of the project as originally contemplated by the Commission, but with the addition of certain necessary fire protection facilities having an estimated cost of \$100,000, all at a total estimated cost of \$1,500,000.

As a result of recent negotiations between representatives of your corporation and the Bureau of Ships, it has been determined that it will be necessary to proceed immediately to supplement the project by providing, at a site to be leased by you in the vicinity of such shipyard, the following additional facilities, at a total estimated cost of \$1,050,000:

<u>Item</u>	<u>Estimated Cost</u>
Warehouse buildings	\$ 360,000
Commissioning dock	125,000
Railroad track	10,000
Paving and storage areas	60,000
Clearing, grading & bulkheading	15,000
Furnace	5,000
Electrical system	100,000
Plumbing and necessary piping	75,000
Handling equipment	100,000
Dredging	5,000
Miscellaneous small buildings	10,000
Plant protection against risks from location of petroleum company alongside.	50,000
Contractor's fee	50,000
Reserve for contingencies	85,000
Total Estimated Cost	\$ 1,050,000



References hereinafter made to "the project" relate to the original project so supplemented.

The Chief of the Bureau of Ships, acting pursuant to authority vested in him by the Secretary of the Navy, therefore proposes that you complete the original project, and proceed to acquire, construct and install such additional facilities, as provided herein. Funds are available under appropriation 17X0665 "Increase and Replacement of Naval Vessels, Construction and Machinery."

For the purposes of the administration of the project, the Navy Department will be represented by the Chief of the Bureau of Ships, and he in turn will be represented by (a) the Officer in Charge of Shipbuilding and Conversion, U.S.N., Seattle-Tacoma Shipbuilding Corporation, Tacoma, Washington, to whom shall be referred all matters concerning (i) the scope of the project, including the necessity for, and the size, capacity, and operating features and characteristics of, the various facilities and the dates when such facilities will be needed for use, (ii) the acquisition and installation of machine tools and production equipment, including approvals of purchase orders therefor, and (iii) any other part of the project not hereinafter specified as being referable to others, and (b) the Bureau of Yards and Docks which in turn will be represented by an Officer in Charge of Construction, to whom shall be referred all matters concerning the design, construction and alteration of the parts of the project which constitute Civil Works, including (i) approvals of the selection and compensation of any architect, engineer or general building contractor, awards and terms of subcontracts and purchase orders, plans and specifications, and alterations and increases in costs not involving any change in the scope or any increase in the total estimated cost of the project, (ii) inspection and supervision, and (iii) expediting and acceptance of performance, in each case to the extent that such matter relates to such Civil Works. All matters concerning cost determination shall be referred to the Bureau of Supplies and Accounts.

Prior to the letting of each subcontract, the placing of each purchase order and the furnishing of each item to be supplied directly by you, you shall obtain from the appropriate representative of the Chief of the Bureau of Ships his approval of such subcontract, order or item. Each such subcontract and purchase order shall bear on the face thereof the allocation classification symbol, U.S.N. - 7.50, and shall contain the provisions required by Article 2 of the enclosed standard form of contract. Anything herein to the contrary notwithstanding, you shall not acquire or facilities for the costs of which you are to be reimbursed hereunder, any portable power-driven, loose and hand, small, expendable, or easily lost, broken or stolen tools, accessories or equipment.

In providing the facilities comprising the project, substitutes for steel and other critical materials must be utilized wherever

possible, and, where the use of steel or other critical items is unavoidable, every effort must be made to utilize secondhand or used materials, machinery, tools, or equipment that not be purchased if suitable secondhand or used tools or equipment are available.

The additional facilities referred to above have been estimated on the basis of the assumption that all of them are indispensable, that you are utilizing to the fullest extent all similar presently available facilities, and that you are utilizing and will continue to utilize the services of subcontractors to the greatest extent consistent with speed and efficiency.

Contract DA-MC-12 will be terminated as of the close of business on September 30, 1942, and the project will be carried on under a Bureau of Ships - Navy Type contract designated NOba-779. A draft of such contract will be prepared by the Bureau and submitted to you for comment. This draft will be based upon the standard form (7-1-42) enclosed herewith, but will reflect such changes as are appropriate in your particular case and any changes made in the standard form. Please indicate in the space provided on the last page of this Letter of Intent whether you wish the option to purchase to be given to you by Article 14(a) of the contract to be on the basis of the depreciated value of the facilities or their fair value as determined by the Secretary of the Navy. It is agreed that when such contract is executed and delivered by both parties, authority to act under this Letter of Intent shall terminate, but work commenced and contracts entered into with the approval of the Bureau of Ships under the authority of this Letter of Intent and prior to the execution of the contract shall be deemed to have been authorized under the terms and conditions thereof.

You hereby consent to the transfer to the Navy Department of the rights of the Maritime Commission in respect of the lease of the site of the original project, and agree promptly to furnish the Bureau with the written consent of Todd Seattle Dry Docks Inc. to such transfer. You further agree that the lease of the site for the additional facilities referred to above will not be executed by any of the parties thereto until it shall have been submitted to and received the approval of the Bureau. Such last mentioned lease must (i) be for a term of five years renewable at the election of the lessee for three additional terms of five years each, (ii) grant to the lessee an option to purchase the leased premises at any time prior to the termination or expiration of the lease on terms satisfactory to the Bureau, and (iii) contain provisions permitting the lessee to cancel the lease at any time on reasonable notice, permitting the lessee to assign the lease to the Government at any time without the further consent of the lessor, prohibiting the lessor from terminating the lease unless the lessor shall have given notice of the default to the Bureau and the default shall not have been cured or provided for within sixty days, preventing title to the facilities from being affected by their location on the leased premises, permitting removal of the facilities, and affording to the Government access to the leased premises for the protection of

its interests in the facilities.

In order to aid in financing the project prior to the execution of such contract, once each month you may submit to the Bureau of Supplies and Accounts of the Navy Department certified bills for all materials, supplies or equipment furnished or work done hereunder, or advance payments made with the prior approval of the Department by you to your subcontractors or vendors for any of the foregoing, for which bills have not been previously submitted; you may also submit such bills at such other times as your expenditures for which bills have not been previously submitted, shall exceed \$20,000. Promptly after the receipt of each submission of bills, the Government shall pay you such amount as said Bureau shall have determined to be true costs reimbursable to you hereunder, and not previously paid.

After the Maritime Commission shall have completed the payments to be made by it in respect of the original project, you may submit to the Bureau of Supplies and Accounts a certified bill for the \$200,000 of expenses for which you are not to be reimbursed by the Maritime Commission together with evidence satisfactory to said Bureau showing that such expenses were incurred in respect of the original project, that you would have been entitled to reimbursement for such expenses under contract DA-MCC-12 and that such reimbursement has not been made. Promptly after the receipt of such bill, and such evidence, the Government shall pay you the amount of such bill.

Title to each item of the facilities comprising the project, whether or not completed or assembled, and to all materials, supplies and equipment therefor and to all replacements thereof, shall vest in the Government as payment is made therefor by the Government or by you, or upon delivery thereof to the Government or to you, whichever of said events shall first occur.

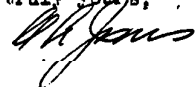
Since the project is subject to the provisions of the Davis-Bacon Act, as amended, (Act of August 30, 1935, 49 Stat. 1011, U.S.C. tit. 40, Sec. 276(a)), the Secretary of Labor has been requested to determine, pursuant to such Act, the minimum wages to be paid to mechanics and laborers to be employed upon the site of the work. A copy of such determination will be forwarded to you when received.

The Chief of the Bureau of Ships may at any time, by written notice to you, terminate your right to proceed with the project. In the event of any such termination the Department will take such action as it may see fit with respect to the facilities acquired and in process, and all supplies and equipment therefor, and the Government will discharge all obligations properly incurred by you under the authority of this Letter of Intent and reimburse you for all costs properly incurred by you hereunder.

If the foregoing is satisfactory to you, it is requested that you indicate your acceptance thereof on two of the signed copies and

one of the other enclosed copies of this Letter of Intent and return them to the Chief of the Bureau of Ships at your earliest convenience. You are hereby authorized, but only upon your acceptance of this Letter of Intent, to proceed with the project as hereinbefore proposed.

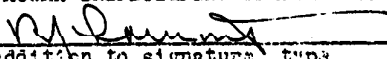
Very truly yours,



Seattle-Tacoma Shipbuilding Corporation
1 Broadway
New York, N.Y.
ACCEPTED: September 28, 1948

The undersigned elects the (fair)
~~unbiased~~
value basis for the above mentioned
purchase option.

SEATTLE-TACOMA SHIPBUILDING CORPORATION

By 
(In addition to signature, type
name and state office held.)

R. J. Lamont
President

cc:
GAO
BuDocks, Room 2427 (4)
Officer in Charge of Shipbuilding and Conversion, USN
Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington.